The Nation's Business

THE FINANCIAL POST

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Leadership Principle Emerges in Ontario

PREMIER MITCHELL HEPBURN and Hon. G. D. Conant, top-ranking political leaders in Canada's senior province, have accepted without hesitation the "leadership principle" laid down in the columns of The Financial Post in recent weeks.

Speaking in Toronto last week, Premier Hepburn made an effective plea for national thought and national action. He deplored the deterioration of spiritual values and the breakdown in public morale due to enforced idleness on the part of thousands of Canadians.

"I am opposed to dictatorships, but they have put their people to work. We in the democracies haven't. This is a time for national thought and national action. When morale goes it is irreparable. We may not be able to pay our debts, but we cannot retrieve morale once it is completely shattered.

"We have done a lot for politics in this country. The railway problem, which is costing us $50,000,000 a year, has not been tackled because of politics. The bonusing of wheat was a political act to satisfy the West.

"We are going backward, and that is the fate of every nation which refuses to meet its problems in a courageous and truly national manner."

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EQUALLY emphatic is Hon. G. D. Conant, Attorney-General of Ontario.

Speaking in Ottawa at the National Remembrance Day Banquet of the Canadian Legion, he expressed doubts that Canada could solve either her domestic or her defense problems by present methods.

"We in Canada cannot succeed in solving our internal problems or in building a system of defense commensurate with our requirements if political expediency is to be the controlling factor.

"Through unemployment the morale of our nation is being destroyed as hundreds of thousands of our people are maintained by the State, without working and without discipline. If it continues, we are doomed to fall as previous empires have fallen.

"It should be possible to meet, in a measure, our need for defense and at the same time our distress from unemployment, by engaging all able-bodied men unable to find employment, in the defense forces of Canada or in enterprises directed toward our security.

"In the final analysis, we have only one of two alternatives—a disciplined democracy or a dictatorship."

• • •

THE promptitude with which these two provincial leaders have taken up the leadership challenge is significant.

Canada is eager for leadership that will lead rather than be content to follow. If Mr. Hepburn and Mr. Conant—and our other political leaders in Canada—will advocate and invoke policies of direction rather than drift, the response from every group and class of Canadians—especially young men and young women—will be electrifying.

• • •

Bankers' Association And Leadership

THE Canadian Bankers' Association is an organization representative of the most important business and financial interests in the country. Its member banks have first-hand contacts with people and business in every part of the Dominion. Accordingly any opinion expressed by it should be deserving of a great deal of attention.

One feature of the annual meeting each year is the presidential address. Presumably this should reflect the considered opinion of association membership on financial and national affairs.

Such a body has a great opportunity for leadership, especially so at a time like this when Canada is faced by so many difficult and unsolved problems.

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IN HIS presidential address, S. G. Dobson reviewed conditions in various lines of activity. He paid tribute to mining as a stabilizing factor. He defended the guarantee of a minimum price to the western farmer for his wheat. He pointed to the fact that the general opinion of such organizations as the boards of trade was that the hands of the central government should be strengthened. At one point in his discussion of the Rowell Commission he did go so far as to suggest that:

> "The uncertainties arising from the present state of affairs, together with the overlapping and duplicating of services which now exist, present problems which demand an early solution."

It is disappointing that as president of the Canadian Bankers' Association Mr. Dobson did not go further and present a more definite challenge to our political leaders to grasp these problems firmly.

Canadians at large are aware of the facts and problems referred to by Mr. Dobson. What they would like to know is what Mr. Dobson and the Canadian Bankers' Association think should be done about them.

Canada needs political leadership supported by an informed public opinion. Organizations as important

(Continued on page 2, col. 7)

Great Lakes Gives Consent To Pro-Rate

Heenan Announces Agreement to Order in Principle

LIMITS UNCHANGED

Great Lakes Paper Co. has agreed to prorate production on the same basis as the rest of the newsprint industry, according to Hon. Peter Heenan, Minister of Lands and Forests in Ontario.

There remain some details to work out, largely to provide that too great hardship is not worked on the company, but in principle Great Lakes has accepted the demands of the province.

As forecast in The Financial Post last week, C. H. Carlisle has offered directors of Great Lakes Paper Co. his resignation, but it is believed that directors have not yet taken any action on it. Although no statement is available from Mr. Carlisle as yet regarding the reasons for his resignation, in view of his expressed views on seller-buyer relationships, his action is not unexpected. As negotiations are still going on, there may still be a possibility of Mr. Carlisle continuing.

There has been no word of who is likely to succeed Mr. Carlisle as president of Great Lakes Paper Co. in the event of his resignation being accepted. The name of E. G. Long, K.C., member of the Toronto legal firm of Long & Daly, has been mentioned. Mr. Long is at present vice-president of the company. It is understood, however, that Mr. Long is not in the best of health at present and there is some question as to whether he would be willing to take on the job, even if he were able.

No Timber Limit Changes

It is understood that there will not be any changes made in the present timber limits held by Great Lakes Paper. Apparently this was discussed at certain stages of negotiations, but nothing is being done, according to Mr. Heenan.

The ultimatum delivered by Ontario to the company hinted that penalties for non-compliance might be severe. The province already has power to raise stumpage dues as much as five times current rates, regulate cutting of timber and impose a fine of $1,000 a day on a com-

(Continued on page 4, col. 6)

Sterling Again Under Pressure

Trade Situation, Political Developments Are Factors

Sterling exchange has again been under pressure. Within a week the pound at New York has fallen from around $4.76 to under $4.70. The steadier tone which developed immediately after the war crisis has again given way to uneasiness regarding the outlook.

There are a number of factors at work to depress the pound. Some of these have been present for some time. Some have just developed recently.

An unfavorable British trade balance.

Unfavorable turn in European politics following German outbreaks against the Jews.

Increased British armament programme pointing to budgetary deficits.

General timidity of capital regarding British currency and securities.

Belief in some quarters that Roosevelt may again revalue gold.

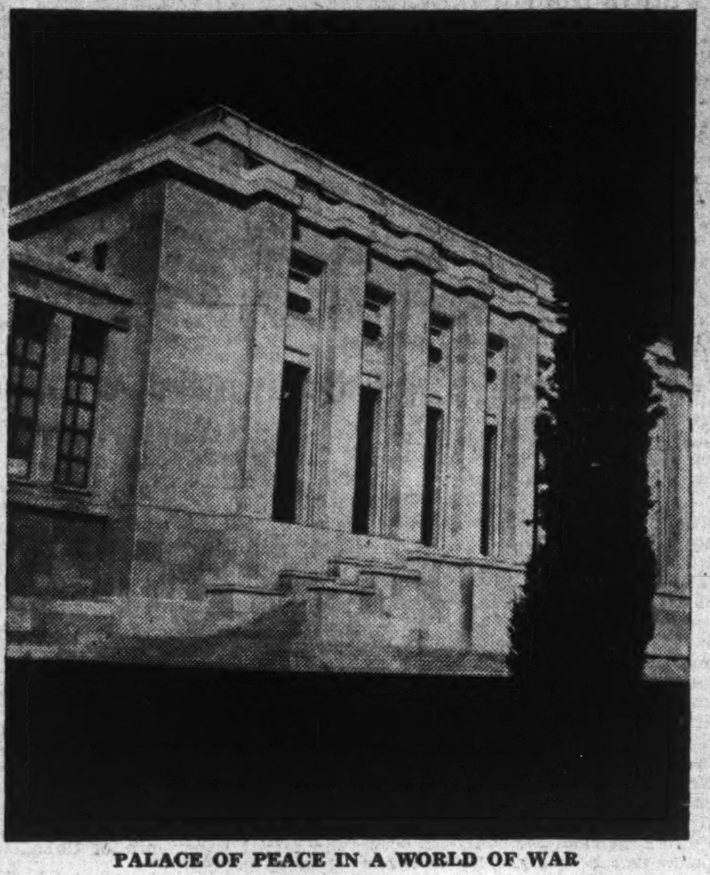
Belief that a lower pound is necessary to the pending British-United States trade treaty.

Sentiment among foreign exchange traders varies but those with whom The Financial Post discussed the matter seemed generally of the opinion that the pound is headed downward.

One banker expressed the belief that it was but finding its natural level in view of the trade situation but that the movement was accelerated by the unfavorable turn in European politics. He did not express any opinion as to where it might become stabilized.

Others, however, seemed to think it might go to $4.50 or even lower.

It was agreed that the downward pace would have been much more rapid had it not been for the operation of the exchange equalization fund.



PALACE OF PEACE IN A WORLD OF WAR

Blackout Over Geneva

League of Nations Seen Functioning in Air of Unreality as Hopes Fade

By FLOYD S. CHALMERS
Editor, The Financial Post

On the 12th of September the nineteenth assembly of the League of Nations was called to order at Geneva.

William Joseph Jordan, New Zealard's High Commissioner in London, made a speech. The Assembly elected President Eamon de Valera of Eire as its own presiding officer for the coming year. Mr. de Valera, his black coat flapping, mounted with long and hurried strides to the presidential niche in the Assembly Hall. The League machinery was again in motion.

There was not much about that opening meeting in the world's newspapers the next morning because on the same day Adolph Hitler made a speech at Nuremberg. Hitler's speech was better news than de Valera's. Hitler talked war and de Valera merely talked peace.

The League assembly lasted until Friday, September 30.

Bodyguards on Duty

I spent a week at Geneva—the middle week of the assembly meeting. As my car entered the lovely town, we passed innumerable hotels. Each one was decorated with the national flag of the countries whose delegates were billeted there. My wife and I stopped at the Hotel de la Paix where the Canadian delegations always stay. It is an old hotel, proudly exhibiting menus of banquets of half a century ago, and lifts of about the same vintage. The view across the Lake is better than the service in the dining room. Over the door were the flags of Ireland, Australia, Hungary, Turkey, Canada and some minor democracies. Inside the door the scowl-visaged bodyguards of His Excellency Doctor Tevfik Rustu Aras, the foreign minister of Turkey, were always on duty.

Three Newsy Events

During its 18 sessions, the League wrestled with many problems. Most of its sessions were ignored by the world's press. Three events managed to get to the front pages of the world's newspapers.

Wellington Koo of China used the League as a platform to call the attention of the world to the grievous treatment his country was receiving from Japanese invaders. He accused the League of keeping its eyes averted from the awful sight.

Maxim Litvinoff of Russia (in the mistaken notion that the Berchtesgaden agreement had at that time removed all prospect of war over Czechoslovakia) declared it was too bad that France and England had capitulated because Russia itself was prepared "to render Czechoslavakia immediate and effective aid if France, loyal to her obligations, would render similar assistance."

Blackout in Geneva

And on September 7, in Geneva, the world's sanctuary of peace, the League had to close its sessions at 4.30 so that the staff could find their way to their homes and hotels before the trial "blackout" which plunged the whole of Switzerland into darkness.

Delegates, conferring in a palace of peace, were instructed:

> "Under the regulations approved by the competent federal authority, no lights may be shown outside buildings from nightfall on the 27th until dawn on the 28th. Street lamps will be entirely extinguished, only a few darkened lamps being left alight. Motor cars, whether in motion or stationary, may show only a heavily hooded blue light. Lights inside buildings must be masked so that no ray can pass outside."

The secretariat added this ironical touch:

> "Arrangements are being made to minimize any delay which the blackout will cause in the assembly's work."

The blackout of September 27 was not the first blackout to delay

(Continued on page 9, col. 4)

Montreal Island Power Appeal is Disallowed

From Our Own Correspondent

MONTREAL.—Nesbitt Thomson and Co.'s appeal against the court decision that it was responsible for statements contained in a circular covering public offering of preferred stock of Montreal Island Power Co., has been turned down by the Ontario Court of Appeal, which by a majority of four to one upheld the judgment of Mr. Justice Ainslee Greene.

An appeal from the Ontario Court of Appeal's ruling will be carried to a higher court by Nesbitt Thomson and Co.

A majority ruling of the Ontario Court of Appeal referred to the question of accuracy of the prospectus sent out by Nesbitt Thomson and Co. Mr. Justice Gillanders, who supported the majority opinion, said it "was apparent from a reading of the evidence, that the earnings estimated are incorrect."

In regard to power capacity, His Lordship stated that in so far as statements in the prospectus were supported by a report that they had received and so far as they were believed by the defendants, they were not unjustified.

Upholds Earlier Decision

The misleading statements in the prospectus are so fundamental and their cumulative effect so great, stated Mr. Justice Gillanders, that having in mind the experience and knowledge of the defendants in the particular subject matter involved, together with the finding of facts expressed by Mr. Justice Greene after seeing and hearing witnesses, "I must conclude that the judgment appealed from should not be disturbed by this Court."

Mr. Justice W. T. Henderson dissented and said the appeal should be allowed.

This case has received considerable attention not only because of the money involved but because of its bearing upon the investment banking business.

Originally Montreal Island Power Co. undertook the development of a power site on the Back River near Montreal. A large block of bonds and preferred stock were sold to the public on the claim that 65,000 h.p. would be installed and all the power produced sold to Montreal Power under long term contract. Shortly after the formation of the

(Continued on page 4, col. 4)

Highlights of the Week

Failure to evolve some semblance of order in handling employment and relief for Canada's thousands of nomad workers has allowed the problem to reach serious proportions. The nature of the difficulty and possible ways in which it can be met are outlined in *Nation's Nomads—p. 10.*

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Who gets the millions of dollars Canadians pay out every year for billions of cigarettes? Government tax collectors get the biggest cut out of our dimes and quarters, Canadian leaf growers have got an increasingly healthy slice in recent years, and the net profit to manufacturers is the smallest item of all. *Canada's Cigarette Money—p. 11.*

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Increase in gold price is of unique interest to Canada because of the importance of mining to this country's general business activity. Have events of the past month altered the possibility of a new price for gold? *Has Gold Outlook Changed?—p. 18*

• • •

Confining its activities almost exclusively to the manufacture of pipe and tubing, Page-Hersey Tubes Ltd. has grown from small beginnings to a company operating six plants and doing a large business at home and in the export markets. Its position is reviewed in *Page-Hersey—A Specialist—p. 8.*

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Federal Govt. Increases Aid To N. S. Coal

Larger Market in Ontario to Result from New Subventions

OTHER DEMANDS

From Our Own Correspondent

MONTREAL.—Larger sales of Nova Scotia coal in the Ontario market are expected to result from the increase in the maximum subventions payable by the Dominion Government. The maximum subsidy payable on the coal for other than railway use has been increased from $1.50 to $2 a ton. The maximum payable on coal for railway use has been $2 to $2.50 a ton.

Several factors contributed to the decision of the Federal Government. During the current year there has been a sharp drop in demand, partly as a result of the recession in business activity. Furthermore, there has been keener competition from the United States because of suspension of the minimum price in that country and a price-cutting war. As a result it has been possible for U. S. producers to quote a lower price than formerly to users of Nova Scotia coal in Ontario.

Enlarges Market

The new subvention rates are designed not only to enable Nova Scotia producers to compete with the low cost U. S. product, but also to push sales of Nova Scotia coal even farther west than Toronto. It is estimated the increase in subventions will provide a market for about 500,000 tons of additional coal in Ontario.

During the first nine months of the current year, 562,000 tons of Nova Scotia coal have been moved into Ontario at a cost to the federal treasury of $580,000, an average of $1.03 a ton. As compared with the same period in 1937, this represents a decline of about 29%.

During the 1937 calendar year, Nova Scotia coal movements to Ontario amounted to 1,054,000 tons. This

(Continued on page 4, col. 6)

Ottawa Awaits Croft Report

Canadians Seen Lukewarm to New Immigration Plan

From Our Own Correspondent

OTTAWA.—Ottawa is watching, but as yet taking no official stand on the plan of Sir Henry Page Croft, chairman of the Empire Development Committee to settle 10,000 British families in British Columbia.

The result of a Canadian tour last summer, Sir Henry's project has now reached the stage of a report to the British Government proposing financing by a private company supplemented by a government contribution. The total cost is estimated at about $50 millions.

It is probable that Sir Henry's report will be forwarded to the Canadian Government for its consideration which will be the first official notice that the Dominion has received. During his visit Sir Henry discussed his plans informally with government officials here and is known to have received no more encouragement than courtesy would demand.

To have done more than this would have been a direct reversal of the present Canadian Government policy which specifically forbids Canadian railways or organizations to encourage immigration. But if the British Government felt inclined to support the Page Croft scheme Canada would not slam the door. If, as is likely, no move is made without the full support of Ottawa it will probably mean the shelving of the project for the present at least.

The area in British Columbia surveyed by Sir Henry lies northeast of

(Continued on page 2, col. 6)

B. C. Pulp Defers Interest on Bonds

General Mortgage Holders Agree to Nov., 1942, Deferment

From Our Own Correspondent

MONTREAL.—Holders of B. C. Pulp and Paper Co.'s 7% general mortgage bonds have approved the further postponement of interest payments until Nov. 1, 1942.

Under the plan approved, interest maturing May 1, 1932, to Nov. 1, 1934, inclusive and from Nov. 1, 1935, to Nov. 1, 1940, will be postponed until Nov. 1, 1942, together with interest due Nov. 1, 1938, to May 1, 1942, inclusive.

Interest on the unpaid coupons will be paid at the rate of 7% under the terms of the by-law, while the company will have the right to make prepayment from time to time on 30 days' notice.

Lake Grain Freights Confirmed at 7 cts. Bus.

From Our Own Correspondent

MONTREAL.—No change in the maximum lake freight of seven cents a bushel for carrying wheat from the lakehead to St. Lawrence ports, will be sanctioned by the Canadian Board of Grain Commissioners, according to an announcement by Commissioner P. A. McGibbon. The board officials reviewed phases of grain handling and concluded conditions did not warrant any change in the freight rates, he said.

Canada's Transients— Citizens or Reds?

There is no more ulcerous canker in the Canadian body than the transient problem.

"Transients" have been described as those "who have no established residence anywhere."

More specifically they are the wandering tide of men and women who move restlessly across the face of this Dominion from November to March in search of work, food or shelter.

Some of them are truly "homeless"—a problem in social need and care. Others are merely "transient" because they have no "legal" residence where they can seek aid. Still others who can qualify technically as "residents," fall in neither of these categories but are still an important factor in the problem as a whole.

Even at its lowest point the number of transients and homeless exceeds 50,000. In recent winters it is said to have fluctuated between 85,000 and 100,000. The great gathering centres for these men are Vancouver, Winnipeg, Toronto and Montreal. But a score of Canadian cities are catch-basins for this constantly flowing human stream.

The men themselves (the problem is almost entirely male) can be divided into three groups.

Young men up to 28 or 29, many of whom have never worked at all.

Older men from 30 to 55, most of whom have a "work history."

Handicapped, burned out and aged men, most of whom should definitely be withdrawn from the employment market.

It is to Canada's shame that no national leadership has yet been given to stop this wandering tide, to make citizens rather than Communists out of these men.

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Facts Are Needed

A first and obvious step would be to take a national census—find out who the men are, where they come from. Though repeatedly urged by public officials, private and public bodies, this has not been done.

Once this census is made, steps could and should be immediately taken to set up central registration facilities at 80 or more points across Canada. This would at least provide a mechanical means—now absent—of attempting to bring some order out of the present chaos. It would be the starting point for planning and implementing a social programme to deal effectively with the problem.

A definite programme along these lines was formulated by the National Employment Commission in a bulletin issued more than a year ago—October, 1937. Yet despite even the shameful Vancouver riots, nothing has been done to tackle the problem.

That something can be done is shown by one simple example.

London, England, the greatest port city in the world, had but 53 "migrants" in February of this year despite its population of over 10 millions.

A suitable plan in London has, through the years, brought the problem to the vanishing point—a credit not only to the civic and national administration, but even more important still—an untold blessing to the hundreds of thousands of human beings thereby prevented from becoming wasted and homeless flotsam on the sea of life.

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Remove Artificial Barriers

This problem will not be solved in a day.

But it will not be solved at all unless political leadership in Canada can rise above its **organized inertia** and give direction to this problem.

From time to time individual provinces or communities have made some attempt to grapple with the problem.

But, as Dr. H. M. Cassidy, director of social welfare for British Columbia, warned the Sixth Canadian Conference on Social Work last summer, this is a national problem, one that cannot be solved by the provinces acting individually. He pleaded that Dominion action, to make effective the plan he suggested at that time, was "long overdue."

In a young country, a large reservoir of mobile young labor, ready to shift easily from one part of the country, is essential. We have always had such a group in our industrial life. Such a group is still needed.

But what has been done in recent years is to set up artificial barriers of "legal" residence which in times of unemployment fill our flophouses and cities with men who eat "the bread of idleness and bitterness."

Because political leadership confuses rather than aids them and their problem, they become prey to agitators, Communists and social "saviors."

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Leadership and Action

While our political leaders have wrangled about "residence rules," "maintenance costs" and the like, these men have listened eagerly to those who offered them some action—governments have ignored them; "agitators" and left-wing leaders have not.

Canada can ill afford the loss of vigorous manhood now beginning its annual trek from coast to coast. It is essential that national action replace organized drift and inertia. Our political leaders—the Prime Minister himself—must take immediate responsibility to stop this waste of manpower.

Canada's choice is this: shall we make good citizens of these men or shall we permit them to become followers of trouble-makers, Communists and other agitators.

By ignoring them, by refusing to take necessary steps to solve their problem, our political leaders not only waste great human resources, they feed the very forces working for political destruction and disunity in Canada.

From coast to coast the men and women of Canada are crying out for **Leadership** and **Action.** The crisis has brought the democratic states face to face with the realities of the strength of the dictatorship states that threaten world security. Canadians are demanding that money now wasted shall be used to rebuild Canada; that wasted lives shall be turned to productive work.

Canadians demand that our leaders shall lead in making Canada a stronger, better directed, more disciplined state—within the confines of freedom and democracy.

The "transient" problem calls for leadership to avoid wasted manpower and to check the growth of subversive influences.

Half a century of service for western Canada ended with the retirement of Sir Frederick Haultain as chief justice of Saskatchewan. Members of the bench and bar of the province gathered at a dinner to mark the occasion and here Sir Frederick, extreme left, chats with Premier W. J. Patterson. On the right is W. M. Rose, K.C., solicitor of Moose Jaw.

New Oil Bill Gives Board Wide Powers

Empowers Conservationists to Buy Well by Arbitration

MAY CLOSE COURTS

From Our Own Correspondent

EDMONTON.—Complete control of Alberta's crude oil industry will be vested in a new Conservation Board provided in an amended oil and gas conservation act introduced in the Alberta legislature this week by Hon. Nathan Tanner, Minister of Lands and Mines.

Czar of oil in Alberta will be W. F. Knode, Texas oil engineer, who has headed the former conservation board. His Lieutenants will be C. W. Dingman and F. G. Cottle.

The board will have power to enforce orders which, it is held, shall not be open to question or review in a court of law. It will be empowered to take forcible possession of wells, if it sees fit. It may buy oil wells at an arbitrated price. And it will have drastic powers to enforce a repressuring programme.

Suspended Rules

The Legislature suspended rules of the House to expedite passage of the bill, which will go to the agricultural committee for public hearing. The bill is concerned with arming the new conservation board, but aims of the Social Credit Government in its programme of oil control were foreshadowed by several private member supporters, in speeches as the special session got under way. Cheaper gasoline and control to enforce payments of profits to investors in the field were advocated by E. P. Foster, Didsbury member, who moved the reply to the Speech from the Throne.

Embattled independent oil operators were on hand with batteries of legal talent to make representations on the legislation.

Cost of the Conservation Board will be financed by a tax rate of ten mills on the dollar imposed on oil properties under an assessment structure to be determined.

Messrs. Knode, Dingman and Cottle will become appointees of the Legislature, and therefore not removable by the Government, under the legislation, for a specified period.

Subject to approval of the Government, the board is to be empowered to "control and regulate the production of petroleum, either by restriction or prohibition or both, or to repressure any oil field, gas field or oil gas field, and incidentally thereto, to provide for the compulsory purchase of any well or wells." The price would be set by arbitration, not taking into account "any loss of production occasioned by any order or regulation of the board."

Owners of oil properties would be required to furnish exhaustive data concerning wells, equipment and development to the board, for purposes of assessment and taxation. This provision is subject to penalty of $10 per day for default and double the tax levied.

Given Drastic Powers

Drastic powers for enforcing orders are provided in the following section: "The board may take such steps and employ such persons as the board considers necessary for the enforcement of any order made by it and for the purposes thereof may forcibly or otherwise enter upon, seize and take possession of the whole or part of the movable and immovable property in, on or about any well."

A general penalty of fine up to $1,000 is provided for contraventions of the Act.

U.S. Rail Units Show Deficits

C. N. R. and C. P. R. Experience on U. S. Lines Unsatisfactory

From Our Own Correspondent

MONTREAL.—During the first nine months of the current year, operating losses were suffered by United States lines of the Canadian National and Canadian Pacific railway systems.

On Canadian National lines in New England, operating revenues for the period amounted to $1,015,305, compared with $1,117,490 in the same period of 1937. After payment of expenses there was a net operating loss of $492,930, compared with a loss of $446,437 in the first nine months last year.

The Central Vermont Railway, subsidiary of the C. N. R., reports a net operating loss for the period of $475,752 as compared with a net operating income of $217,155 a year ago.

During the first nine months of 1937, the Grand Trunk Western Railway, another U. S. subsidiary of the C. N. R., yielded a net operating income of $2,128,791. In the same period this year, there was a net operating loss of $1,454,051. This road depends on the automobile industry in Michigan for a large volume of traffic.

C. P. R. Lines

On C. P. R. lines in Maine there was a net operating loss of $56,309 for the nine months, compared with a profit of $71,146 last year. On this company's lines in Vermont the operating deficit increased from $337,373 to $377,429.

Operations of three C. P. R. controlled railways now in receivership have been less satisfactory than a year ago. These are Duluth, South Shore and Atlantic Railway; Minneapolis, St. Paul and Sault Ste. Marie Railway, and Spokane International Railway.

FROM LONDON . . .

Men who seek the character and distinction — plus the comfort — of overcoats tailored in England, from fine English all wool overcoatings, will find the extensive range of new overcoats in the Men's Shop most interesting. Coats styled by Burberry and other well-known English houses, as well as moderately priced domestic coats . . in sizes 35 to 46.

ILLUSTRATED . . . (At left) Double breasted fitted model in all wool dress cloth. English made **50.00** *(At right) A Burberry Ulster model, noted for lightness of weight, warmth and comfort* **65.00**

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Other English Coats .... 45.00 to 65.00
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MARTIN-BIRD

Important new ore developments southeast of main shaft on 250-ft. level.

Inquiries invited.

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200 BAY ST., TORONTO

Aluminium Ltd. Widens Interests

From Our Own Correspondent

MONTREAL.—Aluminium Ltd. is participating with Swiss and British producers in the formation of South Wales Aluminium Co., Ltd., a private company which will erect an aluminium smelter in Glamorganshire, South Wales. The capital stock totals £250,000. In addition bonds are being issued.

BEFORE YOU INSURE – CONSULT
CONFEDERATION LIFE
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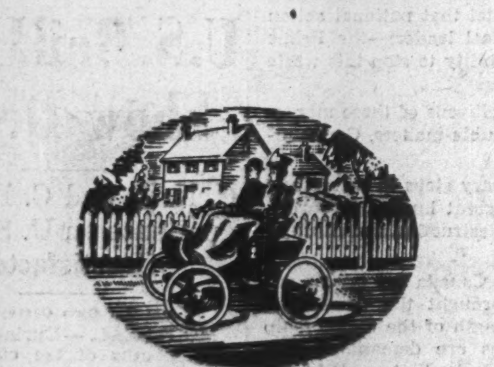

Can you think back
30 YEARS?

Radio and air-conditioning, still in the future; commercial air transport, a mere possibility . . . these and many other developments in the past thirty years today spell Big Business.

Because small business properly nurtured and intelligently directed becomes big business in the fulness of time, The Royal Bank of Canada is vitally interested in the welfare of young and growing enterprise. To the directing heads of such businesses it offers the fullest possible co-operation.

THE ROYAL BANK OF CANADA

OVER 600 BRANCHES IN ALL PARTS OF CANADA

London Calling

by Atticus

Shadows are Seen Closing for Clement Attlee
Herbert Morrison Seen as Future Socialist Leader

Leslie Hore-Belisha

Herbert Morrison

LONDON.—On Tuesday Parliament was opened by His Majesty and the nation's legislators commenced what is almost certain to be the last session of this eventful and fateful Parliament. What a lovely scene it is when the lights go up in the House of Lords and Their Majesties appear. The whole effect is breath-taking. One feels that the greatness and traditions of the centuries have returned to lend significance to that superb moment.

The loveliness of England's women is never so unapproachable as in that gorgeous spectacle that takes place in the autumnal mists of a November morning. As for the peers and bishops and ambassadors, they present such a regiment of magnificence as even Reinhardt could never eclipse. The members of the loyal Commons standing like a hungry crowd before the barricades add a picturesque contrast to the others by the very drabness of their dress.

It must not be thought, though, that the element of spectacle is entirely missing from the Commons. There was more than one incident during the closing hours of the session, which is likely to cling obstinately to the memory.

There was, for example, the afternoon when Lord Hailsham sat alone behind the clock and looked down to see his son take the Oath. It has been said with more than a touch of cynicism that the hereditary system is more powerful in the Commons than in the Lords. The argument is that anyone may become a peer by carving his career with a sharp sword and a brave heart, whereas the path of entry to the Commons and progress to the Front Bench is made so much more certain by the forces of political heredity.

* * *

End of a Book

Perhaps there was a special appeal to our sympathetic understanding in the case of Lord Hailsham and his son. It was only a matter of hours since the ex-Lord Chancellor had retired from office to make way for Lord Runciman. It was not only the end of a chapter, but the end of a book, and a book of worth and distinction. Perhaps, too, Lord Hailsham was remembering that other young figure who showed such promise in the House, his stepson, Edward Marjoribanks. If so his emotions must have been both deep and diverse. Regret, pride and sorrow must have crowded his heart.

Then, of course, in the midst of all this there came that touch of comedy which is always hanging about in the wings ready to ease the tension when Parliament might become too serious or too introspective. It was Sir John Anderson's first day on the Front Bench and with commendable modesty he had chosen a seat at the far end beyond Mr. Speaker's throne and was almost in the shadows. Then another Minister appeared, Dr. Burgin, I think. The Front Bench was so crowded that it could not contain another human being.

Sir John politely rose. Dr. Burgin, or whoever it was, sat down in his place. It might have been an act of gallantry in an omnibus. At any rate, the new boy had shown a proper respect for the Upper Form.

* * *

The Strong Man

It was not until Thursday, however, that Sir John made his debut at the dispatch box. He rose at 7.30 on Thursday evening and the House, which had become a little weary of hearing about nonexistent air raid precautions, speedily filled up to see how "The Strong Man" was going to shape. On the whole, it was an enviable opportunity for his first ministerial speech. Sir John had behind him a magnificent record in the Civil Service. Then as Governor of Bengal his reputation for fearlessness had become a legend.

It would be wrong to say that Sir John's speech was a breath-taking success.

His voice is good and has retained enough of its native Scottish character to impress the ears of a House, which is predominantly English. Nothing has yet been invented that can command so much respect in an Englishman as the voice of a Scot. We liked, too, the quiet humor of the newcomer. He will soon learn that it is not wise to drop the voice toward the end of a sentence, especially when we are all willing to listen to the last word. Actually, his voice has a splendid fruitiness about it that will fill any place and when he speaks faster and gives the words more rein he may prove a first rate debater. As it is, he convinced the House that the Prime Minister had done well to appoint him generalissimo of civilian defense. I predict that before long we shall be so organized that at the sound of a whistle we shall all move to our appointed places like supers in a stage spectacle just before the curtain goes up.

* * *

Socialist Leader

Looking back on that tempestuous A.R.P. debate I have a feeling that we saw another debut that day. Mr. Herbert Morrison, from the Socialist Front Bench, gave an excellent imitation of a future leader of the Socialist Party. I am very much afraid that the shadows are closing on Mr. Attlee. When the great Mazarin was once asked to appoint a certain man to the command of the French Cavalry, he is said to have replied: "Tell me, is he fortunate?" Mr. Attlee is not fortunate. He possesses a flair for action, but has little instinct for reaction. He can organize an attack but does not allow for the effect of a counter-attack. The result is that his party is nearly always out-manoeuvred and Mr. Attlee is left with nothing but a sense of outraged virtue.

Mr. Morrison, on the other hand, can see a long way ahead. This ex-errand boy and ex-clerk could only have been born in one city and that London. His relation to London is like that of Mistinguet to Paris or Gracie Fields to Lancashire. His pertness, his humor, his pride of citizenship and his quickness of brain are absolutely of the city over whose County Council he presides. Mr. Morrison and Sam Weller would have liked each other immensely.

As a speaker he is full of device and ingenuous craftiness. With a quick movement he flicks someone's hat off and then says generously: "But I have not come here to knock hats off anybody's head." Then as the victim leans over to recover his headpiece, Morrison rolls him in the mud. "Why should I roll him in the mud?" he says. "There is too much mud in this world of ours." At this his victim and the spectators both go home feeling that Morrison is a pretty good chap and a sportsman. Never was this technique better exemplified than on Thursday, when he tipped up the whole Government Front Bench and persuaded the occupants that it was not his intention to upset them.

* * *

Confessions

That strange, uneasy day wound up with a remarkable performance by Leslie Hore-Belisha, who demonstrated that he has the best style in the Ministry. He was in a most determined mood. He had made up his mind to tell the House frankly where the War Office arrangements had failed in carrying out the emergency defense plans in the crisis. Mr. Hore-Belisha held nothing back. Thumping the dispatch box he told us that "guns sent from practice camps in some cases were separated from their instruments. Further, some were sent into action without overhaul." Warming to his task he pounded the box and proclaimed that "some of the guns were issued without dials, which was the fault of the firm that made them, failing. Some predictors were out of order (another thump on the box). Electric batteries were in some cases run down." At this point the Socialists broke into loud laughter, but nothing could check the confessional flow. Our War Minister was determined to tell all. And he did.

For the first time I began to believe in the stories of the Russian trials, where prisoners go on confessing until even the State Prosecutor urges them to desist. Is it possible that our brilliant War Minister was, unknown to himself, the victim of that strange drug which is supposed to create an irresistible impulse to admit to crimes beyond the power of any one man to commit?

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Ottawa Awaits Croft Report

(Continued from page 1)

Hazelton. It is apparently good agricultural land but at present has no communication facilities. Provision of these, of course, like the deeding of the land itself is a matter for the provincial government. The general policy at Ottawa, however, is opposed for the present to mass settlement.

In theory the Page Croft project would provide necessary financial backing to assure the settler a fair start.

In addition, however, there must be the assurance of a market for the settlers' crop at reasonable prices. This is still a doubtful quantity as the recent experience of Canadian farmers has shown.

Eventually such schemes as the Page Croft venture may point the way toward the needed expansion of Canada's population and, properly handled might prove beneficial. For the present, however, the yellow, if not the red light is shining on the immigration highway.

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Weekly Record of Financing in Canada

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

Municipal—	Date Issued	Sold to	Rate	Due	Amount	Price	Yield
Beauport, P.Q.	Nov.	Credit Anglo-Francais	4%	1939-63	$170,000	99.63	[illegible]
Georgetown, Ont.	Nov.	J. L. Graham & Co.	3½%	5-ins.	8,108	101.00	2.[illegible]
Provincial—							
Prince Edward Island	Nov.	R. A. Daly & Co.	3%	1950	325,000	†98.07	3.19
Dominion—							
Canada Treasury Bills	Nov.		...	Feb. 15 '39	25,000,000	99.825	.603

OFFERINGS OF CORPORATIONS AND FOREIGN SECURITIES

Bond Issues—	Date Issued	Offered by	Rate	Due	Amount	Price	Yield
Canadian National Railways	Nov.	Dom. Securities Corp. & Syndicate	2¾%	1939-46	$4,000,000	....	...
Stock Issues—							
Conveying Equipment Ltd.	Nov.	W. M. Macdonald & Co.	6% Pref. Com.		400 shs. 2,000 shs.	*	...

†15-day option.
*Price: 1 preference share and 5 common shares $105.

This is under no circumstances to be construed as an offering of these Bonds for sale, or as an offer to buy, or as a solicitation of an offer to buy, any of such Bonds. The offer is made only by means of the Prospectus.

$40,000,000

Government of the Dominion of Canada

Thirty Year 3% Bonds
(Principal and interest payable in United States Legal Tender)

Dated November 15, 1938 *Due November 15, 1968*

Price 97¼% and Accrued Interest
(Payable in United States Funds)

Copies of the Prospectus are obtainable from the undersigned or from any other underwriter of this issue.

MORGAN STANLEY & CO.
Incorporated

THE FIRST BOSTON CORPORATION
BROWN HARRIMAN & CO.
Incorporated

SMITH, BARNEY & CO.

WOOD, GUNDY & CO., INC.
DOMINION SECURITIES CORPORATION

A. E. AMES & CO.
Incorporated

McLEOD, YOUNG, WEIR & CO.
Limited
ROYAL SECURITIES CORPORATION
Limited

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MODERN, EXPERIENCED BANKING SERVICE
. . . The Outcome of 121 Years' Successful Operation . . .

Long years of close relationship with leading banking institutions in all parts of the world ensure for customers of the Bank of Montreal the best of facilities for foreign banking transactions.

BANK OF MONTREAL
ESTABLISHED 1817

The Nation's Business

(Continued from page 1)

and as representative of Canadian enterprise as the Canadian Bankers' Association have a responsibility to speak out in forthright fashion.

* * *

Alberta's Oil Bill Gives Drastic Leadership

FIRST glance at the new Alberta bill for the regulation of the oil industry indicates that it will have the broad general support of those who believe a natural resource must not be wasted.

Terms of the new legislation, whose enactment was the avowed purpose for calling the special session of the Alberta Legislature, are drastic. The conservation board appears to be given complete and dictatorial powers, extending even to the virtual confiscation of a well at an arbitrated price. The bill appears also to close the courts to dissenters.

The general legislative record of the Alberta Government is not only ridiculous, but obnoxious. But so far as the oil industry is concerned, it is the first government to give any leadership whatever in controlling or developing the oil industry.

The waste and chaos rampant in other oil fields, especially in the United States, where governments lacked the courage to introduce vigorous measures of control in the early stages of development, is a horrible example of what Alberta could look forward to if no control were exercised.

It may be that an authority with wide powers, able to command complete obedience to its policies, is essential for the sensible and economic development of the Alberta fields.

If the new bill meets this need without unnecessary and confiscatory bureaucratic powers, it may offer an acceptable solution to the present difficult situation.

Simpson Sales Close to 1937

Volume of business done by Simpsons, Ltd. this year is about the same as last, according to C. L. Burton, president of the company, speaking before the National Association of Cost Accountants of the United States at Rochester on Nov. 16. In 1937, the company had over 20 million transactions.

While nearly 90% of the merchandise handled by the company is produced or processed in Canada, he stated, its buyers made over 550 trips to New York City alone, seeking ideas and merchandise. Assortments in Canadian stores have perhaps a more cosmopolitan character than those in U. S. stores, he stated, and therefore U. S. visitors to Canada are attracted by the variety of lines which are not generally found in U. S. stores.

The company's sales volume was about the same in 1937 as in 1931, but the amount accruing to public exchequers in various forms increased by over 60%—the aggregate increase in the drain amounting to more than $1.6 million per annum.

Owing to the fact that the company did not anticipate its merchandise requirements in any large way at advanced prices in 1937, inventories had not punished them.

Wage Gains Large

The annual increase in wages from 1933 to 1937 was $2 millions. Mr. Burton indicated that government interference had played a part in this.

STOP PRESS

Is it time to change your advertising? ● Are you looking for a fresh viewpoint . . . a vital, new sales angle that will bite into the minds of the consuming public and make them buy? ● Then you will be interested in our commonsense approach to advertising and merchandising problems and our record of sales results achieved over the past 35 years. ● May we have an opportunity to discuss YOUR problems? No obligation.

NORRIS-PATTERSON LIMITED
ADVERTISING AGENCY
TORONTO SAINT JOHN • MONTREAL • OTTAWA
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Experienced, Obliging
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80 KING STREET WEST . . . TORONTO

INTERNATIONAL HARVESTER COMPANY of CANADA, LTD.

. . TAXPAYER
. . EMPLOYER
. . MANUFACTURER
. . CONSUMER

International Harvester Company of Canada, Ltd., is a "citizen" of Canada, and its citizenship is founded on more than just a term of residence here. This Company has grown into the very life and substance and soil of the Dominion. During its life it has enjoyed all of the **privileges** of citizenship and has earnestly endeavored to accept and discharge all of the **obligations** of citizenship.

Our factories at Hamilton and Chatham, Ontario, are typical Canadian factories, with Canadians at practically every machine and every desk. The efforts of these workers are combined with raw materials and other manufacturers' products — gathered from Canadian sources to a large extent — to produce modern farm machines and glistening streamlined motor trucks.

These splendid products — embodying many special features developed for Canadian users — are marketed mainly within the Dominion. In addition, however, thousands of farm implements built in the great Hamilton Works are shipped to all parts of the globe, adding to Canada's profitable participation in world trade. The growing demand for the quality products of Hamilton Works has built this factory to the point where it is known as one of the largest farm machine plants in the British Empire.

During the thirty-five years since Hamilton Works was founded, many workers have rounded out a lifetime of Harvester service, retiring on pensions provided by the Company.

During these same years many employes have traveled up through the ranks to important executive positions here and in other parts of the world. Notable among these are Sydney G. McAllister, president of International Harvester Company, and Addis E. McKinstry, past president and chairman of the executive committee. Mr. McAllister spent the years between 1903 and 1908 in Hamilton Works, getting here much of the training which contributed so importantly to his rise in the business. Mr. McKinstry spent the period between 1907 and 1912 in Hamilton Works.

Many other examples of this kind might be cited, for it is definitely the policy of International Harvester Company of Canada, Ltd., to train its own men and to stake its own future on the future of its employes and its customers.

In pursuing this policy, Harvester does all it reasonably can to improve working conditions for its employes, to encourage safety in its plants, to encourage self help through employe benefits and insurance plans, to instruct all employes in the fundamental facts of the Company's operations, to encourage broader education through progressive employe training, and to provide the fullest possible measure of employment.

In further pursuance of this policy, the Company does all within its power toward the solution of equipment problems confronting its customers—the farmers and the buyers of our motor trucks and industrial equipment. First, it is our aim to supply the best possible equipment at the lowest possible cost, having in mind at all times the needs and the situation of agriculture. Second, it is our policy to supply good service, to follow up the sale of machines with repair part service and mechanical service. Third, we assure our customers that we will continue to supply machines and service and make an earnest effort to conduct our business in such a way that this service can continue. Fourth, it is our policy to extend credit, on a favorable basis, to our customers where we feel they can improve their earnings by use of our machines, and pay for the machines out of earnings.

Harvester's Canadian citizenship is not confined to any one group of employes or any one section of the country. International Harvester Company of Canada, Ltd., is at home in all parts of the Dominion. Company-owned branches at 18 points represent a very substantial investment in land and buildings. Wherever these branches are located, local government and business profit through rentals or taxes paid and the important buying power represented by Harvester pay rolls.

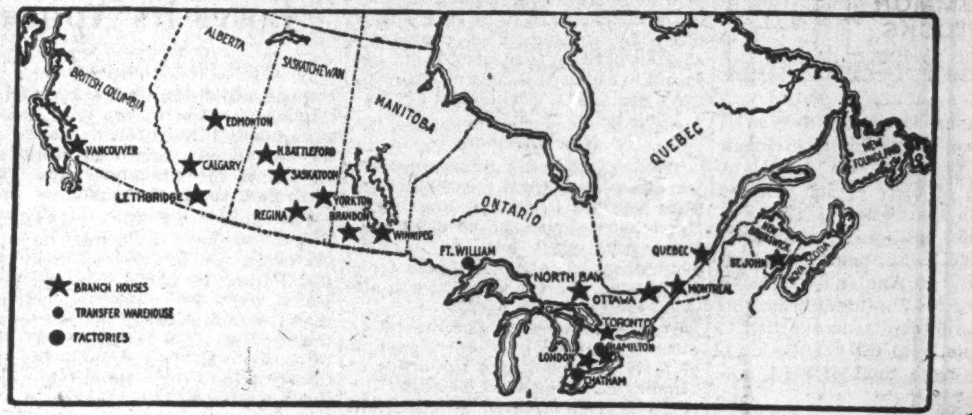
Our Company-owned branches operate as sources of supply for thousands of McCormick-Deering farm equipment dealers, International truck dealers, and International industrial power dealers. These independent merchants — scattered over the length and breadth of the land — represent International Harvester's closest tie to the life of the nation. They are the men who live among the users of our products, serving their customers — through good years or bad — to the best of their ability. It is their responsibility — and ours, as well — to make sure that every buyer of an International Harvester product is satisfied and happy with its performance. Almost any farmer in the Dominion can recall experiences of his own in which this service has proved of great value in an emergency.

International Harvester Company of Canada, Ltd. — and the factory, sales, and service organization for which it is responsible — has grown up through the years because Canada needed this Company as a part of its national growth. Canada is still growing and has tremendous possibilities ahead. This Company will continue to contribute to this healthy growth; growing and prospering in its own right in direct proportion to its service to its employes, its customers, and its neighbors.

International Harvester's "Made in Canada" products include modern farm machines for use on farms all over the Dominion. The scene above shows three McCormick-Deering grain binders—products of Hamilton Works — in a beautiful field of wheat in western Canada. The twine used to bind this wheat is also "Made in Canada" in the big Hamilton Twine Mill.

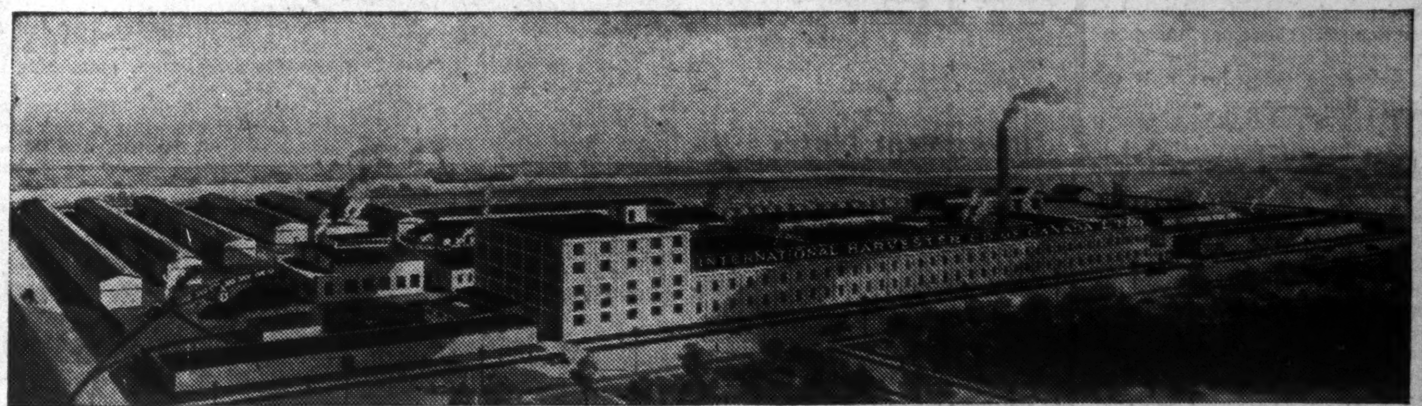
International Trucks—in sizes and types for every transportation need—are "Made in Canada" in the International Truck factory at Chatham, Ont.

International Harvester Branch Houses and Factories are conveniently located in all parts of the Dominion



International Harvester Quality Products are sold and serviced through 18 Company-owned branches in principal cities. The map above shows the location of these branches, as well as the Works at Hamilton and Chatham, Ont., and the transfer house at Fort William, Ont.

The photograph at the right shows one of our Company-owned branches, this building being located at Edmonton, Alta.



The modern factory shown above is Chatham Works, headquarters for International Truck manufacture in Canada. Here, beautiful streamlined Internationals are built, in greater and greater volume, for use by Canadian industry and agriculture. Spread out below are Hamilton Works and Hamilton Twine Mill. These large plants are closely tied in with Canadian agriculture, as here are produced many of the fast-working machines which have revolutionized farming methods since the turn of the century.

No. 4 in a series of studies in corporate citizenship appearing in The Financial Post through the co-operation of leading Canadian business institutions.

Investment Trends

Markets Fail to Hold Following U.S. Elections

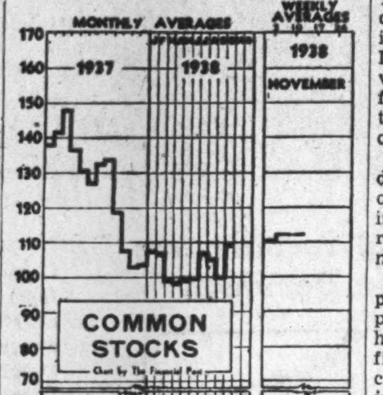
Evidences of Strain in Europe and Coming Trade Treaty May Temporarily Slow Up Stock Rise in Canada

Stock market reaction to the U.S. elections on November 8 was just about as forecast last week. There was an immediate rise which took the stock price indices through the former high levels on heavy volume of transactions. Perhaps illustrating, however, that the actual results had been pretty well forecast was the sell off that followed.

It took the latest moves to shove industrial stock averages on Toronto and Montreal exchanges above the levels of last July. Toronto had shown ability to get above the July high of 126.85 for the industrial index, but Montreal had not exceeded the 88.2 of July until the past week.

If we assume, as is apparently indicated, that a primary up-trend in stock prices started on March 31 of this year, then we have seen two reactions, or corrections, as they are often termed. The first occurred from the middle of April to the end of May, wiping out a little over half of the preceding advance. The second was the recent war crisis from August 6 to September 26 and erased a little less than half of the immediately preceding up-move.

Now we have had another up-trend lasting since September 26 and without any substantial reaction in the interval. With the up-trend pushing into higher levels than either of the two preceding moves, thus establishing successively higher peaks, traditional performance would lead one to expect another corrective reaction before long. The pattern thus established is encouraging for the longer period. One possible factor which might overcome this likelihood is the possibility that the period of narrow up-and-down movements lasting through most of October may have temporarily taken the place of more drastic testing.



* * *

Background

Business Week's index of business activity in the latest week is just crossing the 1937 line and, judged from the strong upward movement now in progress, the year is going to end with an encouraging note.

In Canada it looks as though much the same thing will happen, as judged from the figures on business activity compiled and published elsewhere in The Financial Post. Chief weakness seems to be the unsatisfactory level of prices for agricultural products and the uncertainty engendered by the coming trade treaty. In Great Britain evidence seems to point to a period of comparative stability for the next few months.

Thus the background for stocks, out of which must come the earnings that only can justify higher prices, seems encouraging. It is true that Europe still rumbles and threatens, but offsetting this is the promise of armament activity which is going to have results in Canada.

* * *

Publicity

There are still too many Canadian companies that adhere to the outmoded idea that serious consequences are likely to follow taking the public into their confidence. The Canadian Manufacturers' Assoc., at their last convention, heard an able discussion of the matter of public relations from the president of the Investment Dealers Assoc. And there are converts to progress in this matter coming regularly.

The question can be asked as to why companies exclude the press from annual meetings. True, this is the exception today, but it is not hard to find examples. Consumers' Gas provided one this week, and it is only one of several instances in recent months. It may be argued that the business transacted at these meetings only concerns shareholders. But is it not just as true that there should exist for any progressive company another prospective body of shareholders whose chief source of information on which to decide whether or not they want to buy this stock is the press, and in particular the financial press?

* * *

Canned Tomatoes

A good many in the trade are expecting a shortage of canned tomatoes next spring, according to Canadian Grocer. The 1937 pack was unusually large but came on a bare market, and it is estimated that average monthly consumption, including exports, was 295,000 cases in the 13 months from Sept. 1, 1937, to Oct. 1, 1938, well above normal in past years.

The estimated figures, including 1938 pack, show a possible shortage for domestic and export markets of about 1.4 million cases if 1938 pack reached 2.5 million cases or 900,000 cases if 1938 pack did not exceed 2 million cases. On this basis a firmer tomato market is expected by spring, with consequent favorable results for Canadian Canners, largest unit in the industry.

* * *

Answering Doubters

Imperial Oil and International Petroleum have silenced the questionings of those who doubted the likelihood of them continuing dividends at rates prevailing for the past four years. The reason for the doubt, and it is a legitimate one, is that the latest payment to be made December 1 will probably continue to result in a deficit for both companies.

There is one change in the group this time. Andian National, pipeline subsidiary of International Petroleum, is not paying an extra of $1 a share as has been the case for the past three years. This company, however, is paying out even more cash on December 1 than it would have if the extra dividend had been declared. On that date, $6 a share of their capital will be returned to shareholders. This will require $15.3 millions. As International Petroleum holds approximately 96% of Andian's shares, it will receive $14.7 millions from this distribution of capital in addition to $2.4 millions from the regular dividend, making a total of $17.1 millions.

International Petroleum itself will pay out about $18.1 millions on December 1, or only $1 million more than it will receive from Andian National. Of the International Petroleum dividends, about $10.9 millions will go to Imperial Oil as holder of about 60% of International Petroleum stock, leaving $7.3 millions to go outside the family.

For Imperial Oil the December 1 dividend will require $16.9 millions and of this about $11.8 millions will go to Standard Oil of New Jersey by virtue of holding 70.08% of Imperial's stock.

Thus out of total cash changing hands of about $52.9 millions, only $13 millions will go to the general public.

Investment Notes

Howard Smith — Common stock has been slowly recovering, currently selling at 16 compared with a high for the year of 18. No marked change in the fine paper situation, but reports are more encouraging.

* * *

Price Bros. — Common stock regarded as a good bet in the event that the paper stocks set the lead for the market.

* * *

Steel of Canada—Ordinary shares selling at a new high for the year —75½—apparently under prospect that the directors may do something toward "balancing" the dividend. Ordinary shareholders are still entitled to $6 a share before there can be any increase in the dividend on the preferred stock.

* * *

Distillers-Seagrams — After being in a coma for a long time, the common stock has come to life and is currently selling at better than 23. Statements made at the annual meeting indicate current business is holding up well.

* * *

Newsprint—Market followers believe that there will be no sharp upswing in Canadian security prices until the paper group leads the way. Practically all the margin accounts are loaded up with "newsprint," and until there is some action in that group, there is limited prospect of support for the rest of the market.

* * *

Gatineau Power—A typographical error in a reference to the common stock holdings of G. Gordon Gale, president, in The Financial Post of Nov. 12 showed him as having 11,222 shares instead of 1,222 shares as is actually the case.

* * *

Algoma Steel—The boys took the stock for a whirl this week. Outlook the same as for Dosco whose B stock is selling three points lower.

* * *

Canadian Car — Preferred stock favored in many quarters. Expectations are that the annual statement will not only show the dividend covered by a wide margin, but some indication by the directors as to what action they intend to take in regard to dividend arrears.

NESBITT, THOMSON
& COMPANY, LIMITED
355 St. James Street West, Montreal
Branches in the principal cities of Canada
16R

Consumers Gas Profit Higher

Earnings on Common Shares $11.55 Against $10.01

The annual report of Consumers' Gas Co. of Toronto for the year ended Sept. 30, 1938, shows an increase in the value of gas sold during the year to $5.6 millions from $5.3 millions in the previous year. Sales of merchandise were down almost one third at $216,446 against $309,142.

Gas output, however, in cubic feet decreased to 5,680 millions in 1938, from 5,836 millions in 1937. Gross operating earnings totalled $7.3 millions, as against $7.1 millions. Operating costs were reduced to $5 millions from $5.2 millions.

Net profit amounted to $2.3 millions, as compared with $2 millions in the previous fiscal year, equivalent to earnings on the 145,552 common shares of $100 par value outstanding, of $11.55 and $10.01, respectively. After allowing for the entire amount of transfer to building and plant renewal funds, earnings were $8.52 and $6.70.

Coal Costs Higher

In presenting the annual report, T. Bradshaw, president, stated that cost of gas coal was increased during the year by the United States Interstate Commerce Commission, which authorized an increase in rail freight rate on coal of 10 cents a net ton. This is the only practical source of coal for the company's use.

Expenditures on capital account during the year were mainly made on extension of mains and services into districts in and adjacent to Toronto, amounting to $639,148 on renewals and repairs.

Regular dividends of 10% of the par value of the common stock were paid during the year, a payment that has been in effect since 1874, and is fixed by statute. The company's charter permits gas rates to be adjusted to assure this return. The company has 4,126 shareholders, average holding being 35 shares.

New Directors

Total assets of the organization were increased to $27.1 millions from $26.8 millions in the previous year; fixed assets increased to $22.5 millions from $22.3 millions; reserve fund dropped to $5.8 millions from $6 millions. Working capital was approximately $3,000 higher.

Two vacancies on the board of directors caused by the resignation of A. H. Campbell and the death of Thomas H. Wood were filled by the election of Gen. C. H. Mitchell and Col. A. L. Bishop.

Income and Surplus Account
Years Ended Sept. 30

	1938 $	1937 $
Gross earnings:		
Gas sales	5,562,836	5,319,528
Residuals produced	1,485,037	1,488,017
Merchandise sold	216,446	309,142
Misc. revenue	7,228	9,698
Total gross earnings	7,271,547	7,126,385
Less: Prod., distrib. & admin. exp. & taxes	5,046,024	5,173,195
Net earnings	2,225,523	1,953,190
Add: Interest earnings	94,498	92,778
Net profit	2,320,021	2,045,968
Less: Dividends	1,455,520	1,436,767
Surplus for year	864,501	609,201
Add: Trans. from res. fund	216,141	460,991
	1,080,642	1,070,192
Trans. to plant and bldgs. renew. fund	1,080,642	1,070,192

Working Capital
As at Sept. 30

	1938 $	1937 $
Current assets	4,486,847	4,422,563
Current liabilities	870,459	809,334
Working capital	3,616,388	3,613,229

Commodities

Steady or firmer describes the movement of most commodities this week, but again changes have been selective rather than general.

	Latest week	Previous week	Same week last yr.
Cattle	$6.50	$6.25	$8.75
Hogs	8.65	8.75	9.00
Copper, lb.	.11¼	.11¼	.12
Cotton, lb.	.0927	.0888	.08
Rubber, lb.	.1700	.1700	.1475
Sugar, raw, lb.	.0305	.0305	.0335
Silk, lb.	1.84	1.82½	1.69
Wheat, Man. (bus.)	.59⅞	.57⅜	1.35⅞
Coffee, lb.	.05½	.05½	.06½
Hides	.13	.13	.12
Weekly Indices			
Canada (D.B.S.)	73.6	73.9	83.6
Do., W., Gundy	57.7	57.1	65.2
U. S. Labor	77.3	77.6	83.8
Dow Jones (fu.)	49.18	48.23	54.06
Crumps (Br.)	72.1	72.3	79.0
Fisher's	80.5	80.4	87.1
Monthly Indices			
Canada (D.B.S.)			
Retail (Oct.)	83.9	84.1	84.2
W'sale (Sept.)	74.5	76.0	85.0
U. S. (Aug.)	78.1	78.8	87.5
Gt. Brit. (July)	100.6	100.7	111.3

Note: The base of indices is that 1926 equals 100. The British index is Board of Trade converted to 1930 base.

Base of price quotations is as follows: Cattle—Steers, good, over 1,050 lb., top price, Toronto. Copper-electrolytic, New York, Silk—Crack db., 13-15 New York. Sugar — 96 degrees centrifugal c/f New York. Wheat—No. 1 man. North., Ft. W.-Pt. A. Basis. Hides—No. 1 packer light.

United Cigar—The United Cigar-Whelan stores stock that was recently listed on the Toronto Stock Exchange is stated by F. S. Pitney, president of United Cigar Stores Ltd., to have no connection with his company. United Cigar Stores Ltd. is a subsidiary of Imperial Tobacco Co. of Canada and operates in this country while United Cigar-Whelan Stores operates in the United States.

Market Opinions

Stock market comment seems, in many cases, to be preparing investors for some unsettlement over the next few weeks, but optimism still seems to rule for the longer term.

Fitch's Investors Service—"To the optimism which reviving business activity has generated, there was added this week the prospect of beneficial results from the change in popular political attitude. Coming out of a period of rest, the market under these influences seems destined for higher levels. The heretofore recommended fully invested position should be carried."

* * *

Barron's, New York (The Trader) —"Considering the significance of political developments, the market seemed, from Thursday through Saturday, surprisingly lacking in dynamic buying power except in the case of steel stocks. Specific news does not bring in orders on the scale of a few weeks ago. Possibility of a bear market developing under present conditions is quite remote because of credit conditions, rising business activity and the fact that the bull market is still less than eight months old. Question, therefore, is simply whether some correction of the advance may not intervene prior to mid-December, after which the traditional January rise usually starts. Excited trading in groups, individual issues or the market as a whole, which would be characteristic of a point of speculative culmination, would hardly represent important accumulations at this juncture and should be regarded dispassionately."

* * *

Business Week, New York — "Among speculators there was the hunch that the rise would peter out after initial enthusiasm. They figured that they had better take profits, or even put out short lines, before general elation subsided.

"Most followers of the markets, on the other hand, have taken the longer view. They doubt that there will be even an intermediate reaction at this time. They figure that business has been accumulating momentum, that the outlook for at least the first half of next year is excellent, and that prices of securities and commodities will go much higher before there is any major change in trend. Those who are so minded entirely outnumbered and outweighed the bears in the markets of these last few days."

* * *

Brookmire Bulletins, New York —"The political trends so strongly revealed by the election results of Tuesday were inspiring to longer-term confidence; and reports of business progress continue highly favorable. Reflecting these factors, the stock market quickly broke its recent stalemate and rose into new high ground with increased activity. In view of the dynamic underlying situation and the considerable period of consolidation just experienced, a rising trend should remain dominant. Hence, maintenance of fully invested positions should be continued."

* * *

Journal of Commerce, New York —"The favorable reaction of the security markets to the outcome of the election is not due to expectations of an immediate consequent stimulus to business. Rather, the effects are likely to show themselves only over a longer period, both by affecting the course of legislation in Congress and by the encouragement that will be given to long-term capital expenditures by industry."

Montreal Island Loses its Appeal

(Continued from page 1)

company, Montreal Power secured a large proportion of the first mortgage bonds through an exchange of its own bonds, and also acquired control of the common stock. The preferred was undisturbed.

The ability of Montreal Island Power to pay dividends on the preferred was predicated upon the installation of 65,000 h.p. Several years went by without payment, then it was brought to light, through the medium of a lawsuit instituted by Joseph M. Piggott and Piggott Construction Co., Hamilton, that there was insufficient water in the river to warrant the full installation.

Awarded to plaintiffs by the judgment of Mr. Justice Greene, of the Ontario Supreme Court, was the purchase price ($9,800) of 100 shares of Montreal Island Power preferred stock plus a bonus of 40 shares of common, interest at 5% from time of purchase in June, 1927, and costs of the action. Rejected was a claim for price paid for a subsequent purchase of 50 common shares, the Court failing to find that this purchase was induced by the alleged misrepresentation in the original prospectus.

Potentially involved in the litigation was the entire issue of $1 million of the power company's preferred stock, entitled to dividends of $6 per year, cumulative from Jan. 1, 1926. No dividends have as yet been paid, the arrears now amounting to over $66 a share.

In addition to the Piggott action, several other claims have been filed against Nesbitt Thomson and Co. on a basis similar to that of the Piggott suit.

P. E. I. Offering Issue of 3% Bonds

R. A. Daly & Co., Toronto investment firm, is making an offering of $325,000 twelve-year 3% bonds of Prince Edward Island.

The province called for alternative tenders for options on $325,000 principal amounts of 12-year 3% or 3¼% bonds. R. A. Daly & Co. tendered 98.07 on 12-year 3% bonds and were granted the option. A syndicate composed of A. E. Ames & Co., Dominion Securities Corp., Wood, Gundy & Co. and Eastern Securities was next in line with a bid of 98.

Leitch May Boost Mill

Depends on Results Being Obtained on Four New Levels

An increase in milling rate by Leitch Gold Mines from around 90 tons per day to 100 or 125 tons is envisaged by President Karl J. Springer, if exploration of four new levels now under way is satisfactory. Work completed to date has been entirely satisfactory, he states, but a further three or four months' work will be necessary to determine more fully possibilities on the four new levels down to a depth of 1,025 ft.

Mr. Springer reports that present equipment is fully capable of handling 100 tons of ore per day and that some additional equipment, probably for secondary grinding, will be installed if it is decided to increase capacity to 125 tons. With satisfactory opening up of new levels and the development of ore similar to that on the levels above, reserves would amount to five years' milling requirement at the present mill rate. It is felt that the maintenance of three years' reserves ahead of mill capacity is conservative.

Speaking of earnings, Mr. Springer states that profits for the last three months have been at a rate slightly over 10 cents per share per annum after allowance for depreciation and deferred development. Taxes are low as the company secures exemption from Dominion income taxes for three years. No decision has been reached regarding the payment of quarterly dividends, Mr. Springer stated, but the present level of earnings would justify a rate of eight cents per share per annum in line with the initial dividend of two cents per share.

Anglo-Canadian Oil Associates to Pay

From Our Own Correspondent

MONTREAL. — Anglo - Canadian Oil Co. has informed the Montreal Curb Market that Foundation Petroleum, Monarch Royalties, Firestone Petroleum and Prairie Royalties, each will make a distribution from production to shareholders of record November 21, and payable December 3. The amount of the distribution will be announced when October production figures are available.

Wilsil Packers' Stock Will be Placed on Market

From Our Own Correspondent

MONTREAL. — Greenshields and Co. and associates have acquired 60% of the capital stock of Wilsil's Ltd., prominent Montreal meat packers, and will shortly make a public offering.

Wilsil's Ltd. came into being 10 years ago, when the old Montreal Abattoir was acquired. The property was renovated, enlarged and placed on a modern footing. Control was jointly held by F. K. Morrow, of Toronto, the late Geo. Silcox and Ogilvie Flour interests. The same interests will continue to be associated with the enterprise.

Operations of Wilsil's have steadily expanded. It does not operate on a national scale, but its products are well known in Quebec, eastern Ontario, and the Maritime Provinces. In addition the company handles a substantial volume of export trade, mainly to England.

Earnings of the company have been consistently good. The financial policy has been conservative and at present, it is understood, the treasury holds over half a million dollars in cash.

Capitalization consists only of 135,000 shares of common stock. For the current year a dividend of 60 cents a share is being paid. It is the intention to raise the rate to $1 a share for 1939.

Significant Investors' Index Numbers

1926 = 100

No. of Securities	Mach. and equip. 8	Pulp and paper 7	Milling 3	Oils 4	Textiles and clothing 10	Food and allied prod. 12	Beverages 7	Bldg. mater. 15	Power and trac. tion 15	Banks 8	Total utilities 19	Total co's. 95
1929-37:*												
High	432.5	113.4	273.4	423.5	113.5	197.8	204.6	281.1	197.6	131.7	166.0	198.3
Low	39.2	3.0	37.7	87.7	30.8	78.8	33.8	44.3	47.1	63.1	36.9	43.3
1938:												
Jan.	109.6	18.9	87.2	194.9	64.3	158.7	116.1	138.4	64.4	84.3	48.7	107.7
Feb.	109.3	17.5	88.9	195.2	64.8	159.9	115.0	131.4	63.1	81.8	46.8	107.1
Mar.	100.7	14.6	76.5	181.2	60.3	152.0	101.3	116.0	58.2	80.5	43.1	99.2
Apr.	103.2	15.4	75.6	172.0	55.0	151.5	106.0	119.4	59.7	80.4	43.7	97.9
May	107.2	15.7	85.8	177.2	54.5	153.6	107.5	122.5	61.0	80.9	44.5	99.7
June	111.8	18.6	84.8	170.0	54.1	156.2	109.2	129.8	61.2	81.0	45.1	100.0
July	129.2	23.1	88.6	177.6	59.4	167.9	120.5	142.6	66.4	84.9	48.6	106.9
Aug.	130.1	21.0	88.3	176.7	59.0	168.5	122.1	139.3	64.3	85.0	47.1	105.2
Sept.	120.6	17.5	78.4	165.0	54.3	162.2	108.8	121.2	57.8	83.4	42.7	98.6
Oct.	139.8	22.8	85.8	182.1	58.5	170.1	133.3	139.5	64.0	86.0	46.9	109.7
Weekly Figures, 1938:												
Nov. 3	141.6	22.8	86.3	181.6	59.1	171.3	140.8	140.6	63.1	86.2	46.4	110.7
Nov. 10	145.0	23.0	85.9	182.4	59.1	170.4	145.2	143.4	63.6	86.0	47.1	111.9

*High and low for years from 1929 to 1937 inclusive are based on weekly figures compiled from figures issued by Dominion Bureau of Statistics.

Toronto Stock Exchange Index

	20 Indus.	20 Golds	10 B.M.	15 W.O.
Nov. 15	128.14	120.69	101.80	30.12
Nov. 14	129.30	121.66	103.54	30.45
Nov. 12	131.11	121.77	105.18	30.93
Nov. 11	Holiday			
Nov. 10	129.48	121.44	104.97	30.23
Nov. 9	129.61	122.35	105.44	30.37
Month ago	125.99	121.59	103.39	32.16
Year ago	123.90	118.64	69.80	31.58
High, 1938	131.11	127.19	105.56	50.85
Low, 1938	97.66	101.86	64.47	25.77

Montreal Stock Exchange Averages

	10 Util.	20 Indus.	30 Comb'd	15 Golds
Nov. 15	68.0	88.0	80.0	122.07
Nov. 14	67.8	86.9	80.5	122.52
Nov. 12	68.2	88.8	81.9	122.62
Nov. 11	Holiday			
Nov. 10	68.4	87.9	81.4	122.86
Nov. 9	68.5	88.7	81.9	124.03
Month ago	67.9	85.5	79.6	124.72
Year ago	68.4	75.4	73.1	115.81
High, 1938	69.3	88.8	81.9	130.77
Low, 1938	57.6	61.1	60.5	103.06

CANADIAN
FUND

Prospectus of Canadian Investment Fund, Ltd., obtainable from your own investment dealer.
CALVIN BULLOCK, LTD.

Aid Increased To N. S. Coal

(Continued from page 1)

movement cost the Dominion Government $1,257,000, or an average of $1.19 a ton.

Applies Only To Nova Scotia

All soft coal mines in Canada have been assisted in shipping their products to distant domestic markets since 1928 by means of subventions. Nova Scotia, the largest coal producing province in the Dominion, has had the lion's share of the movement.

The increase in maximum subventions applies only to movements of Nova Scotia coal to the Ontario market. No change is made in the normal subventions applicable to other provinces, or in Nova Scotia shipments to Quebec.

Subvention aid has also been provided to the Alberta and Saskatchewan coal producers since 1928, but the actual movement to the Ontario market is very small. Because of the long rail haul the western provinces cannot hope to compete in Ontario. New Brunswick markets a small amount of coal in Quebec. Last year it shipped 31,000 tons at a cost to the federal treasury of $32,000.

The political situation in Nova Scotia has probably contributed to the decision of the Dominion Government to increase the subvention. As the result of curtailment of operations of coal mines in that province there has been a strong agitation for further assistance to the coal mining industry. In this campaign, the Halifax Herald has played a prominent part.

Partial blame for the situation was placed on the shoulders of the Provincial Government with the result that its popularity was being undermined. The Dominion's action should strengthen the position of the Liberal administration in Nova Scotia.

On the very day the increased subventions were announced, a conference seeking solution of the problems of the Maritime coal industry was being held in Halifax. The conference decided to send a committee to Ottawa to place certain proposals before the Dominion Government. The committee was instructed to seek curtailment of coal imports by application of dumping duties, increased subventions, a national fuel policy to encourage the use of Canadian coal, and the establishment of a national fuel board.

Action of the Government in increasing the aid to Nova Scotia coal producers will probably mean renewed demands from New Brunswick and western Canada producers for assistance. Both made representations to the Rowell Commission for increased federal aid.

New Brunswick, in its submission, pointed out it had received little help from the subventions. The effect had been to substantially encourage the coal mining industry in Nova Scotia, even enabling the Nova Scotia industry to market a substantial amount in New Brunswick in competition with producers of that province. New Brunswick claims that since its mines are situated inland, and that the shippers have to bear an unreasonable freight rate, as compared with that afforded to Nova Scotia, it has been impossible for New Brunswick to take advantage of the subvention arrangement made to encourage the shipment of coal.

Great Lakes To Pro-rate

(Continued from page 1)

pany which fails to follow regulations. Imposition of any of these penalties would have made it impossible for a newsprint company to carry on successfully.

It is understood that at least one legal opinion has been given that the acts under which these regulations are provided are ultra vires of the province. But whatever the final ruling might be, a long legal battle would be assured to any company resisting or challenging the province's rights in this regard and apparently the decision has been that this action was not advisable.

As Great Lakes has been operating at a higher ratio of capacity than the rest of the industry this year, accepting proration will mean that Great Lakes must surrender some tonnage. Just how much must be given up and who will receive it is not known and, according to Mr. Heenan, this is a matter that is being worked out by the industry itself. It is quite likely that this will mean some detrimental effect on earnings of Great Lakes, at least at times when the industry is operating at comparatively low rates.

The company already has arrears of dividends on its shares and has a balance of postponed bond interest to meet on July 2, 1939. Last year the company was able to earn its bond interest with a wide margin and figures for the first half of 1938 indicate that a substantial net profit will be shown for the year, after payment of interest.

Quebec Concessions

In his statement to The Financial Post, Mr. Heenan admitted that there were certain Quebec newsprint companies with long-term contracts to whom some adjustments have been conceded. The Beaver Co., operating a small mill at Thorold, Ont., had not been prorating but it has now decided to abide by the agreements. This is stated to have made prorating in full effect in Ontario and Quebec, where the agreements have official sanction and support. In the other newsprint producing provinces, no official recognition has been given to the agreements but mills operating in these provinces are complying.

The provinces are determined that the form of a contract for the sale of newsprint cannot interfere with prorating of output. In some cases publishers have protested against accepting newsprint from other than their regular source of supply, but so far this matter has always been adjusted in some way. Ontario, according to Mr. Heenan, is not concerned with where newsprint contracts are obtained nor with the form of them; but does insist that actual production be evenly divided.

Home & Industrial Bldg. Gets Changes Approved

All the proposals put before shareholders of Home & Industrial Building Products at the special meeting on Nov 12 were approved. Capital is thus reduced to $500,000, name changed to Nu-Wall Industries, changes made in the board of directors and the financing arrangements with H. D. Bellinger & Co. approved, subject to confirmation by supplementary letters patent.

The new board of directors includes the following: G. W. Morrall, C. M. Ricketts, C. B. H. Dellar, H. D. Bellinger, W. B. Tubby, Toronto; R. E. Haire, Paris, Ont.; F. C. Biggs, Dundas, Ont.

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Descriptive circular forwarded upon request.

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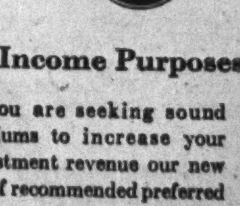

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26 Profits — 3 Losses

In the period from April 1st, 1938, to October 24th, 1938, The Market Digest recommended ONLY 29 positions in stocks listed in the Industrial Division of The Toronto Stock Exchange. It did not suggest these and many other possibilities for appreciation and leave it to subscribers to guess at the right ones to buy, but recommended only these as "buys" and in definite terms advised subscribers to buy them.

An analysis completed October 24th shows that by that date of these 29 stocks—26 advanced to profit points and only 3 showed losses, the greatest profit in the term under review being 205% and the maximum loss 12%. Would you like us to send you this analysis?

THE MARKET DIGEST

is scientifically developed each week through painstaking recording, charting and studying of market activity by expert market technicians. It interprets market trends and individual stock action. It brings to subscribers conclusions reached by studying the sensitized movement of stocks, points out sound profit opportunities, helps subscribers to know when and how to protect their capital, when to sell, when to stay on the sidelines.

Stocks on the New York Exchange and Toronto and Montreal Mining stocks are also dealt with by The Market Digest. The record of consistently sound advice about these also has been astonishingly satisfactory to subscribers.

May we give you more information?

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Bell Issues Stock

From Our Own Correspondent

MONTREAL. — Bell Telephone Company of Canada has issued 539 additional shares of capital stock in connection with the employees' stock plan. This brings the number of outstanding shares up to 799,899.

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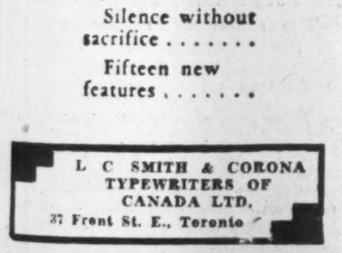

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Bond Markets

Financing of Dominion Regarded As Favorable

Cost of Obtaining $40 Millions of Funds Compares Well With British Defense Loan—Good Reception Expected on New York Market

The position of Canada's credit in world money markets is drawn into focus by the recent registration with the S.E.C. covering $40 millions of 30-year bonds, due Nov. 15, 1968, the proceeds of which will go to retiring $40 millions of three-year 2% notes, due Jan. 1, 1939.

The bonds will be offered at 97¼ by a syndicate headed by Morgan Stanley & Co. Inc.

The financing is regarded as favorable to the Dominion in light of the costs of financing to other countries at this time. The price obtained is slightly less than those which U.S. securities would bring, but in view of the present easy-money policies of that country, comparisons would not be entirely fair.

More comparable is the financing which the British Government consummated in June of this year when a National Defence Loan was issued to implement Britain's rearmament programme. The £68,000,000 millions of 3% bonds, maturing 1958, were offered at 96, on a cost basis to the country of more than 3.13%. Cost to the Dominion Government of its recent flotation will compare very favorably with the cost of this issue to the British Government. The fact that interest will be payable in U.S. funds, however, injects an element of uncertainty, which may raise the cost to Canada if the rate of exchange is unfavorable to the Dominion during the next 30 years.

It would appear that the infinitely greater taxing powers of Great Britain are offset in the public mind partly by the natural wealth of Canada and her potentialities. Her comparative isolation from the troubled European scene also weighs heavily in her favor.

* * *

Fluctuate Less

The fact that Canadian Government obligations are less subject to the influence of European politics than British securities was well illustrated during the September war crisis. Comparison of representative bonds of the U.S., Great Britain and Canada shows that U.S. obligations moved more directly in sympathy with normal considerations of trade. On fears of a European conflict, however, Canadian bonds did not fall to the extreme depths to which British securities fell in the latter part of September. U.S. bonds, while showing a certain amount of apprehension, did not fall as much as either of the other two countries' obligations.

The relative stability of Canadian bonds and the higher yields than those obtainable in the U.S. should make U.S. investors regard Canadian securities favorably.

* * *

Bonds and War Scares

In the Cleveland Trust business bulletin Col. Leonard P. Ayres states that recent war scares supplied bankers with a practical test of one of their favorite theories about bonds.

"Many bankers have believed that it was much safer and more prudent for banks to limit their holdings mostly or entirely to the bonds of short maturities," Col Ayres states.

"They held that opinion because they believed that if there should be a sharp drop in bond prices the issues of long maturity would decline severely in the market quotations, while those of short maturity would be little affected."

In illustration of the decline of bonds during this period a chart is drawn, showing the sharp decline in prices. "The average decline was only about 1.9%, which would not seem important in an ordinary individual holding, but which is important to the banker because it is a shrinkage of $19,000 in the value of each $1 million of bonds.

"The long term bonds did suffer a little more in market prices than those of shorter terms. The 10 shortest term bonds included all those having maturities up to 11 years. Their average price decline was 1.6%. The 10 longest term bonds were those having maturities of from 14 to 25 years. Their average price decline was nearly 2.2%.

"The yields of the short term bonds are considerably lower than those of the longer terms. The test showed that in so far as brief market breaks are concerned the banks or other large investors are not warranted in avoiding the long term issues because of their greater vulnerability in price declines. The yields of the longer bonds are larger and their price declines were only a very little greater than those of the short term issues. The only issues which were relatively immune to the price declines were the first three having maturities of not over five years. Their average decline was only 1.1%."

* * *

Corporation Bonds

Corporation bonds have appreciated considerably from their lows of the September slump, with advances varying generally from a fraction of a point to a substantial increase. Generally, the more speculative issues have risen more rapidly than the less speculative liens, as would be expected.

The following tabulation shows the rise in prices from September 24 to November 14 of corporation bonds:

Corporation Bonds

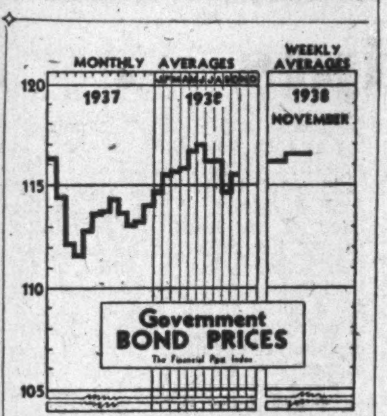
	Asked Prices Sept. 24 1938	Asked Prices Nov. 14 1938
Abitibi, 5/53	52.25	69.00
Beauharnois, 5/78	84.00	94.00
B. A. Oil, 4/45	104.00	104.00
Can. Cement, 4¼/51	102.50	105.00
C. S. L., 5/57	78.00	84.50
C. P. R., 3/45	87.00	90.50
Fraser Cos., 6/50	97.00	101.00
Gatineau, 5/56	104.00	105.75
Gen. Steel, 4½/52	96.00	97.75
Inter. Hydro, 6/44	71.00	80.25
Mont. Light, 3½/56	101.00	104.25
Power Corp., 4½/59	100.00	104.25
Twin City, 5½/52	56.00	56.75

* * *

Bond Index

Continued strength of Dominion obligations featured Canadian bond markets during the week, with middle term issues displaying a particularly firm tone. Shorter term and long term issues were also strong in a fairly active market.

The industrial bond market moved up with few exceptions with utilities firm on good demand. Bell Telephone bonds moved up one point from a week ago, Canadian Vickers 6½% liens were up 1½ points and Minnesota and Ontario 6% bonds of 1950 were up 2¼. Reacting to threats of proration by the Ontario Government, Great Lakes obligations were down 2½ points.



Provincial issues follow the strong trend of Dominion bonds, and the recent Quebec and Ontario issues were firm.

The market assimilated recent municipal financing without dulling the keen demand for this type of security. Port Arthur is calling for tenders for November 26 on $199,680 4%, 15- and 20-installment debentures for local improvement.

Approval by the Ontario Municipal Department is expected this week for the refunding of Midland, Ont., debentures.

Average Price and Yield for Seven High-Grade Government Bonds

1938	Price $	Yield %	1937	Price $	Yield %
Nov. 15	116.86	2.753	Nov. 16	113.51	2.269
Nov. 14	116.94	2.737	Nov. 15	113.44	3.277
Nov. 12	116.88	2.746	Nov. 13	113.46	3.276
Nov. 11	116.86	2.746	Nov. 12	113.41	3.280
Nov. 10	116.88	2.746	Nov. 10	113.36	3.291
Nov. 9	116.88	2.744	Nov. 9	113.30	3.296
Year's	117.21	2.737	Year's	116.81	3.026
Range	111.86	3.389	Range	111.69	3.505

Conveying Equipment Units Offered Public

W. M. Macdonald & Co., Toronto stock exchange firm, is offering shares of Conveying Equipment Ltd. The present offering consists of 400 shares of preference and 2,000 common shares at $105 for units of one preference and five common.

Conveying Equipment Co. in an engineering and sales company, incorporated in Ontario, Dec. 9, 1937, to handle in Canada the engineering and sales of the Johns Conveyor System.

Directors of Conveying Equipment include: E. L. Cousins, C. S. Band, T. A. Dillon, D. Shepherd, Toronto; D. L. Cramp, Kirkland Lake.

United Amusement Pays Larger Dividend

From Our Own Correspondent

MONTREAL.—United Amusement Corp. has declared a dividend of 50 cents a share, plus an extra dividend of 15 cents a share, on the outstanding capital stock, for the six months ended October 31, payable on November 30 shareholders of record November 15.

Bond Sales

Beauportville

The Town of Beauportville, Que., has sold a $170,000 issue of 4% serial bonds, due 1939-53, to Credit Anglo-Francais Ltd., Montreal investment firm, at 99.63. Purpose of the issue is to meet a maturity for a similar amount due next month. Bids were as follows:

	Bids
Credit Anglo-Francais	99.63
L. G. Beaubien & Co.	99.38
Lagueux & Darveau	99.36
Dube, Leblond & Co.; Clement & Clement Ltd.	99.35
W. C. Pitfield & Co.	99.26
J. Laflamme Ltd.; Garneau, Boulanger & Co.; Corp. de Prets de Quebec	98.46
Dominion Securities Corp.; Royal Securities Corp.; J. C. Boulet Ltd.	97.83

Town of Georgetown, Ont.

J. L. Graham & Co. has purchased $8,108 3½% five installment bonds of Georgetown, Ont., dated Dec. 1, 1938, at 101.60, on a cost basis of 2.94%. Proceeds of the issue will be used for paving purposes.

Other bids were as follows:

N. J. Robinson & Co.	101.31
Lynch, MacNames & Co.	101.31
Harrison & Co.	100.775
Dyment, Anderson & Co.	100

Bond Tenders

5 p.m., Nov. 23, Grand'Mere, P.Q. — $15,000, 3½ or 4%, dated Nov. 2, 1938, maturing in series from Nov. 2, 1939 to Nov. 2, 1968, or maturing also in series with the issue renewable for 15 years on Nov. 2, 1953. Leo Gervais, sec.-treas.

4 p.m., Nov. 28, Sch. Com. of Iberville, P.Q.—$20,500, 4%, dated Dec. 1, 1938, maturing in series from Dec. 1, 1939 to Dec. 1, 1963 inclusively.

Little Change In Auto Tariff

Board Gives Industry Assurance That Stability Will Not be Disturbed

From Our Own Correspondent

OTTAWA. — Automobile tariff changes in the coming season of Parliament and in the impending new trade treaty with United States, will be of only minor nature, it is now believed.

Recently representatives of the motor car industry visited Ottawa and held a long conference with the Tariff Board. A number of steel men were also present at the meeting. Their interest in the automobile tariff was especially keen owing to their plans for an $8,000,000 plant to supply steel for automobiles. This plan is contingent on the assurance of a reasonable degree of stability in customs schedules.

Apparently the conversations were satisfactory to all concerned.

Price Spread Controversy Ended

The discussions are said also to have cleared up to the satisfaction of the board, the long standing controversy over the spread between the Canadian and American price for cars. Charges that this spread had been too great held a potential threat of board action in the form of recommendations for lower tariff protection. This threat is now believed dissipated.

For one thing the conditions which led to the price spread reference three years ago have largely been corrected by the industry. In few cases is the cost of a motor car in Canada more than the United States price plus the prevailing duty. On some models it is somewhat less.

Higher Canadian Content

Added to this is the fact that the industry here has been rapidly increasing the Canadian content of their cars, a situation which it is believed has influenced the board in its more sympathetic attitude to the industry generally. Reports of the Ottawa discussions last week indicated none of the friction which characterized former conferences. The motor men came to the capital with the definite intention of cooperating as far as possible both among themselves and with the board. The board, on its part is said to have given specific assurance that its recommendations to Parliament would contain nothing which might disturb the stability of the industry.

Secord Surveys Expansion Plan

It was announced at the annual meeting of Laura Secord Candy Shops that John D. Hayes, president, is leaving for England to study the possibilities of opening a chain of Laura Secord shops in the British market. The name and trademark are already registered in the United Kingdom, Ireland, Australia and South Africa.

Control of the British organization would rest with Laura Secord and Fanny Farmer Candy Shops Inc. It is expected that a substantial portion of the necessary capital would be provided by British banking interests. It would take at least six months to place the organization in operation and another year to place it on a profitable basis.

In explanation of the reduced depreciation charges during the past year, Mr. Hayes stated that depreciation of many of the fixed assets had been changed to the full and therefore no further depreciation could be allowed.

Supplementary letters patent have been issued to Laura Secord, dated Nov. 1, 1938, confirming the capital changes adopted by shareholders. By these changes the former 57,500 no par value common shares were converted into 287,500 common shares of $3 par value and $41,964 was set aside as a capital surplus. This sum is the difference between $904,464, representing the amount of total consideration received for the original 57,500 common shares, and the sum of $862,500, representing the amount of authorized capital as now constituted.

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Dividend Rate Continued By Imperial Oil and Pete

Dividends at the same rate as has prevailed for the past four years have again been declared by Imperial Oil and International Petroleum. Imperial is paying the regular of 25 cents a share and an extra of 37½ cents a share, on Dec. 1, 1938, to shareholders of record Nov. 17. Holders of bearer share warrants will receive payment on presentation of coupon No. 50. This brings 1938 payments to $1.25 a share.

International Petroleum is paying the regular semi-annual dividend of 75 cents a share on its preferred and common shares and an extra of 50 cents a share. Both payments will be made Dec. 1, 1938, to shareholders of record Nov. 21. For holders of bearer share warrants, presentation of coupon No. 50 is needed.

Andian National has declared the regular semi-annual dividend of $1 a share, payable in U.S. funds on Dec. 1 to shareholders of record Nov. 21. Andian National is also paying the $6 a share capital distribution which was authorized by shareholders on June 30 on the same dates as the dividend. The Andian National dividends will thus total $3 a share for 1938 as compared with $4 a share for the previous three years.

Syndicate Buys Equipment Issue

From Our Own Correspondent

MONTREAL. — The Canadian National Railways has sold $4 millions of 2¾% equipment trust certificates to a syndicate headed by Dominion Securities Corp.

This is part of the $7.6 millions issue of 15-year 2¾% equipment trust certificates for which bids were rejected early in September. At that time two syndicates bid for the issue, but the price offered was not satisfactory to the railway. Subsequently, $3.6 millions of the issue was disposed of privately to a group of insurance companies.

The $4 millions which has now been sold consists of the first eight maturities of $500,000 each. No public offering will be made as the issue is to be sold to the banks and insurance companies.

Town Debentures Exchange Ready

Mimico and New Toronto Holders Notified by Protective Committees

Holders of Mimico and New Toronto, Ont., debentures have been notified by the protective committee that exchange of debentures may now be made, under the terms of the refunding plan, approved by the Ontario Department of Municipal Affairs on Oct. 25.

Debentures maturing prior to Jan. 1, 1934, will be paid in cash with arrears of interest to Nov. 15, 1938.

Settlement of arrears to June 30, 1938, will be paid on Nov. 15 on debentures with maturities subsequent to Jan. 1, 1934, which are being exchanged for new debentures.

New debentures, carrying interest from June 30, 1938, are expected to be available early in January, 1938.

Holders of certificates of deposit should present the certificates to Sterling Trusts Corporation in the case of Mimico and Toronto General Trusts Corporation for new Toronto. Holders of debentures payable in cash should send the debentures with unpaid coupons attached to Guaranty Trust Co., Toronto. New debentures may be obtained for old by forwarding the debentures with a letter of transmittal to Guaranty Trust Co.

City of Hull Sells $292,500 of Bonds

Tax Collections in 1937-38 Amounted to 101.8% of Levy

From Our Own Correspondent

MONTREAL.—An issue of $292,500 of City of Hull 4% serial bonds is being offered by L. G. Beaubien & Co. Ltd. and Hanson Bros., Inc.

The issue consists of $237,500 of bonds dated Nov. 1, 1937, and $55,000 dated Nov. 1, 1938, maturing 1939 to 1958. The 1939-43 maturities are being offered at 101 and accrued interest and the 1944-58 maturities at 100 and accrued interest.

Purpose of the $237,500 of bonds dated Nov. 1, 1937, is to meet the cost of capital works such as extension of the waterworks system and the construction of sewers and pavements. The $55,000 issue is to cover the city's share of relief costs during the two years ended April 30, 1938.

Gross Funded Debt

Gross debenture debt of the city at May 1, 1938, was $4,516,300 against which there was a sinking fund of $357,889, leaving a net debenture debt of $4,158,411. Of the net debenture debt, $1,024,088 is revenue producing.

In the year ended April 30, 1938, the city had a surplus of $11,946 on revenue and surplus account before providing for relief. The city's share of direct relief during the past two years approximately $55,000. Since September, 1937, monthly grants from the provincial government have absorbed the total cost of direct relief.

Total tax collections in 1937-38 amounted to 101.8% of the levy, compared with 96.7% in the previous year.

Dominion Treasury Bills

Cost basis on Dominion treasury bills dropped for the fourth successive time with the sale of $25 millions of bills, dated, Nov. 15 and maturing Feb. 15. The price of the issue was 99.82552 and the cost basis, 0.693%, as compared with the previous price of 99.81966 and yield of 0.717%.

The bills replace a $25 millions issue maturing Nov. 15 and leave the amount outstanding at $155 millions.

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Federal Government Sells Bond Issue in New York

From Our Own Correspondent

MONTREAL.—The Dominion of Canada 3% 30-year bonds currently being offered in New York are priced at 97.25.

The issue, which totals $40 millions, has been underwritten by a syndicate headed by Morgan, Stanley & Co., Inc. Proceeds are to be applied to payment of $40 millions principal amount of three-year 2% notes which mature Jan. 1 next.

Payable in U. S. funds, the new bonds are free from deduction for all present and future taxes of the Canadian Government, except when the bonds are beneficially owned by a resident of Canada. No sinking fund is provided for amortization or retirement of the bonds.

The bonds are redeemable at 105 on or before Nov. 15, 1943; thereafter and including Nov. 15, 1948, at 104; thereafter and including Nov. 15, 1953, at 103; thereafter and including Nov. 15, 1958, at 102; thereafter and including Nov. 15, 1963, at 101; thereafter to maturity at par.

The syndicate underwriting the issue is largely composed of U. S. investment firms. However, Canadian investment houses are taking up a total of $4,850,000 of the issue. A. E. Ames & Co., Dominion Securities Corp. and Wood, Gundy & Co., all of which have New York branches, are taking up $1.2 million each. McLeod, Young, Weir & Co. is taking up $800,000 and Royal Securities Corp. $450,000.

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TORONTO, NOVEMBER 19, 1938

The Financial Post's Platform for Canada

Balanced budgets.
A modernized constitution.
Extension of Empire trade.
Integrity in meeting public obligations.

Public Opinion Goes to the Polls

IT IS public opinion and common sense rather than the Republican party which scored the victory in last week's voting in the United States.

Seven months ago a staff writer of The Financial Post visited the United States and reported the most significant development in that country to be the turning of the tide against the New Deal. Congress, it was pointed out, was gaining a new spirit of independence. A gain of 60 to 80 seats by Republicans was forecast for November. Such an event, it was stated, would pave the way toward a genuine recovery in the United States.

The comment made by The Financial Post at that time is worth repeating. In part, we said:

> "How fast the tide is turning will not be revealed until the November elections. Forecasts of Republican gains range all the way from 60 to 80 seats. This would not be enough to give the Republicans control of the House of Representatives, but it would be enough to encourage scores of conservative Democrats to seek escape from too intimate association with the fading glory of the New Deal.
>
> "If the voters give advance indications this fall that they are ready to exterminate the social 'termites' when 1940 rolls around, then confidence will begin to bloom again.
>
> "It is a situation which is simple to analyze and easy to express. It can be summed up in three words: 'After Roosevelt—Prosperity.'
>
> "The tide is turning against the New Dealers and toward the constructive forces which will be able to produce a genuine recovery in the United States."

With international tension lifted and domestic business on this continent showing signs of moving forward, the confirmation of this prophecy in last week's voting is of the utmost significance.

* * *

What of the future?

Just recently a prominent Canadian banker, who has spent some years in the United States, wrote to us after a return visit: "There is no feeling in evidence that the United States has found a footing from which long-term planning might be justified."

Is it too much to hope that last week's elections did definitely mark the turning of the tide "toward the constructive forces able to produce a genuine recovery"?

Is it possible that businessmen can now begin to plan for the future with some hope and certainty?

* * *

With weighty questions, such as Roosevelt's third term aspirations, the Republican party leadership; the subsequent strategy of the New Deal and the forthcoming Congress still very much in abeyance, a categorical answer to these questions is difficult, if not impossible.

What is important and positive is that the American people, to quote the New York Times, are "moving toward the middle of the road." They have not abandoned social reform, but they have established the principle that:

> ". . . social reform can best be achieved in a spirit of moderation with greater emphasis on individual responsibility and with a better recognition of the principles of sound finance."

If the New Deal in the United States—or New Deal philosophy and practice in Canada—can quickly learn this lesson, then a real recovery may materialize on this continent in the near future. It may be unnecessary to wait until 1940 to lay the foundation for a long-term business upswing.

Certainly the manner in which public opinion and ordinary common sense were reasserted last week at the American polls must give very real assurance to business and must be construed as a genuinely constructive business factor.

The Bracken Wheat Conference

IN A RECENT radio address, Premier Bracken clarified his objectives in calling a marketing conference at Winnipeg.

It appears to be his intention to take the lead in solidifying western sentiment in favor of three things:

1. Wider markets for Canadian farm products, to be developed to some extent at least by the country's trade and tariff policies.
2. Achievement of a lower cost of production by tariff reductions.
3. If lower cost of production cannot be achieved by such means, then adequate compensation by way of assured minimum prices.

If Mr. Bracken's conference can achieve in Canada a better understanding of western problems it can be fruitful and worth while. But if it merely threshes over in the provincial field the old straw beaten about at the Turgeon grain enquiry it is hard to see what good purpose can be served.

No one can object to any provincial leader who earnestly seeks to give leadership by an exchange of views as between various parts of the country. In this way, goodwill and understanding can best replace narrow sectionalism and ignorance.

But in doing this, it is important that provincial leaders remember their obligation as Canadians while they press their claims of their own areas.

Canadian taxpayers are already too deeply in the wheat business. The actual cash loss being borne by the federal treasury on this year's crop is probably over $10 millions. A further loss of perhaps $40 millions is indicated.

This is the "New National Policy" which has been foisted upon the country by the present Dominion Government. It is a policy the implications of which are of the very greatest importance not only to western Canada but to every part of the Dominion.

If Mr. Bracken can throw light on the western approach to this problem it is important. But it is of greater importance that in any such discussions the national perspective be kept always in view.

Eliminate Railway Waste

UNDER the heading, "The Fords Tell Their Plans for 1939," the Ford Motor Co. recently took full-page space in U.S. newspapers to explain some of the plans and policies behind their organization and product.

One phase which impressed us was this:

> "Business is not coming back. It will have to be brought back . . . for that reason 1939 will be a co-operative year. Manufacturers, sellers, and buyers will co-operate to bring back the business that is waiting to be brought back."

There are in Canada many lines of business waiting to be "brought" back.

Take for example our railways.

Here is a business crippled by obsolescence, hamstrung by waste, weighed down by duplicating lines and services. It is a business that cannot "come" back unless it is "brought" back—brought back by public and business leadership strong enough to insist on wiping out the waste.

So far, rosy hopes for improved rail earnings in 1938, due to a good crop in the west, have not materialized. Improved earnings have been eaten up by increasing and unnecessary overhead, by higher wage bills, etc. Even if improved business does materialize in 1939, the result will be trifling and superficial compared with what could be done if waste were eliminated.

This fact is well known to Canadian political leaders. Yet elimination of this waste is blocked by chicken-hearted refusal to face possible political consequences.

The business of leaders is to lead. Their job is to give direction to public opinion rather than permit drift. If public opinion in Canada is not ready to eliminate waste in the railway picture then leadership must be found to warn and inform the public mind to the point where it will be receptive to change.

A Job For the Militia

SPEAKING to the Toronto Real Estate Board last week, Major James Baxter, vice-president of A. McKim, Ltd., made a plea that Canada harness her militia to the larger task of national service.

> "Our volunteer militia has had a heartbreaking post-war experience. Let us help these men who have devoted time, money and energy in the service of the State. Let us make our armories the recreational centre, the sports ground, the meeting place of our youth."

Great Britain is already showing the way in this regard. Many decades ago she scrapped the old idea of "militia" that still pervades the organization known by that name in Canada and substituted for it a modern "territorial" unit which is now taking a vastly important place as a training ground for national service.

Another specific job which might well be undertaken at once in Canada by the militia is the training of skilled workers and technicians. As Major Baxter remarked: "In the next war we will need technicians, not Tommies."

As Canada's militia is now constituted it is doubtful if it could muster enough mechanics or technicians to man a good-sized garage, let alone a national defence organization.

But reorganization of Canada's militia should be on much more than a potential wartime basis. It might be a national clearing house for physical and technical training. It should assume definite responsibility for teaching Canadian youth the virtues of courage, discipline and self-control.

Quebec's Credit Position

NOT long ago Quebec Province had a higher credit standing than any other province. It could borrow money at a lower rate than any other governmental body in Canada, with the exception of the Dominion Government.

Today, Ontario leads.

Both provinces recently made public offerings of bonds. The Ontario issue was a 12-year 3% bond offered at 98.50 to yield 3.15%. The Quebec loan was a nine-year bond offered at 98.06 to yield 3.25%. The Ontario Government secured a better price for a longer term bond.

Reasons for this change are not hard to find.

Ontario has now the best credit rating because it has put its finances in better order and balanced its budget. Quebec's budget continues unbalanced.

Actually Quebec has reported surpluses in the past two years on what it is pleased to call "ordinary account." This, however, does not indicate actual results. If relief is taken in, there have been large deficits although revenues are at record levels. In addition, the province has been spending large sums on capital account for colonization roads.

The trend in Quebec finances in recent years has been anything but healthy. For years the home of sound public finance, it has now gone the way of other governments in Canada. Since 1929 gross debt, after deducting sinking funds and cash, has increased from $68 millions to $240 millions.

Quebec entered the depression with a sounder financial position than any other province. It had a relatively low debt which explains why it has found it possible to increase debt without seriously damaging its credit. It still has the second lowest per capita debt in the Dominion.

If steps are not taken immediately to balance its budget and stop piling up debt, Quebec may find its credit impaired. It has happened before, notably in the case of the three Prairie Provinces. Investors will watch the trend closely.

Editorials in Brief

Premier Mitchell Hepburn of Ontario may take a bow.

Because last week millions of U. S. citizens cast their votes very definitely against the trade union racketeering which first met its Waterloo at the hands of the Ontario premier back in the Oshawa-C.I.O. struggle of April, 1937.

* * *

Was There Irony or persiflage behind the press announcement from White House following the election results last week?

The statement made on behalf of the Chief Executive by M. H. McIntyre, the president's secretary, was: "President Roosevelt says he is feeling very cheerful and that everything is grand."

We wonder.

* * *

Eight or ten air-conditioned coaches will comprise the special train which will take Their Majesties across Canada next year.

But apparently there aren't that many in Canada suitable for the job. A check of existing equipment is now being made to see how many cars must be built.

There would be plenty of money to build not eight but 800 modern railway coaches in Canada if railway waste were eliminated.

* * *

British Columbia's Speech from the Throne the other day told "almost nothing of the government's plans," according to the Vancouver Province.

> "It warmed over a budget of more or less stale news, threw in a word of comment here and there, told of the Government's intention to create a public utilities commission and announced as an accomplished fact a reduction in the price of gasoline, which, by a fine piece of legal irony, has been deferred, perhaps for months. As for the general work of the session, it was forecast in a single sentence: 'Amendments to various acts will be submitted to you.'"

Why should this be? There was a very good basis, as the Province points out, for the old-fashioned practice of making the Speech from the Throne count for something as an intelligent, newsworthy document. If the legislative session is worth calling at this time it is worth being outlined in clear, informative speech.

* * *

The Soviet Union publishes a monthly illustrated magazine called U.S.S.R. in Construction. Subscription to it can be purchased for $4 a year. By clever use of photography it carries a blatant and unscrupulous campaign of propaganda against capitalism.

For example, the issue which arrived the other day was devoted to glorification of the Russian elections. It boasted how women, children of 18 and the "armed forces"—people who "in the majority of capitalist countries are disfranchised" had become in the U.S.S.R. "full-fledged citizens" who could take their share in administering the country.

Over 91 million electors, it boasted, or 96.8% of the electorate, cast their votes, of which 98% voted for the government party. Comparative figures are given for other countries. In Britain, for example, in 1935, only 53.6% of votes cast went to the government party. Figures for Germany are not given, the naive explanation being that in that country, "the people are bereft of all democratic rights and liberties."

Apparently it was quite an effort to produce this mendacious panegyric for Russian and Capitalist consumption. The "elections" were held last December. The issue was dated "April." It arrived in Toronto late in October.

Sayings of the Week . .

"I am opposed to dictatorships, but they have put their people to work. We in the democracies haven't."—*Premier Mitchell Hepburn.*

* * *

"Assistance to the farmer must generally take the form of undoing things rather than doing them."—*F. E. M. Robinson.*

* * *

"We have only one of two alternatives—a disciplined democracy or dictatorship." — *Hon. Gordon D. Conant, Attorney-General of Ontario.*

* * *

"I am very much in favor of the regimentation of all our resources and the taking of every precaution to protect our liberty." — *Premier Pattullo.*

* * *

"In view of the certainty of change, it is dangerous for business to carry too much of the old and dirty past over into the present."—*Charles E. Kettering.*

* * *

"God's living spirit calls each nation like each individual to its highest destiny and breaks down the barriers of fear and greed, of suspicion and hatred."—*Lord Baldwin.*

* * *

"There will be no more war. People have gradually come to the conclusion that they will not stand for rulers holding the threat over them."—*W. J. Cameron.*

* * *

"It has been an invariable rule of American politics that a decisive turn at the mid-term election means that two years later the ins will be replaced by the outs."—*Walter Lipmann.*

* * *

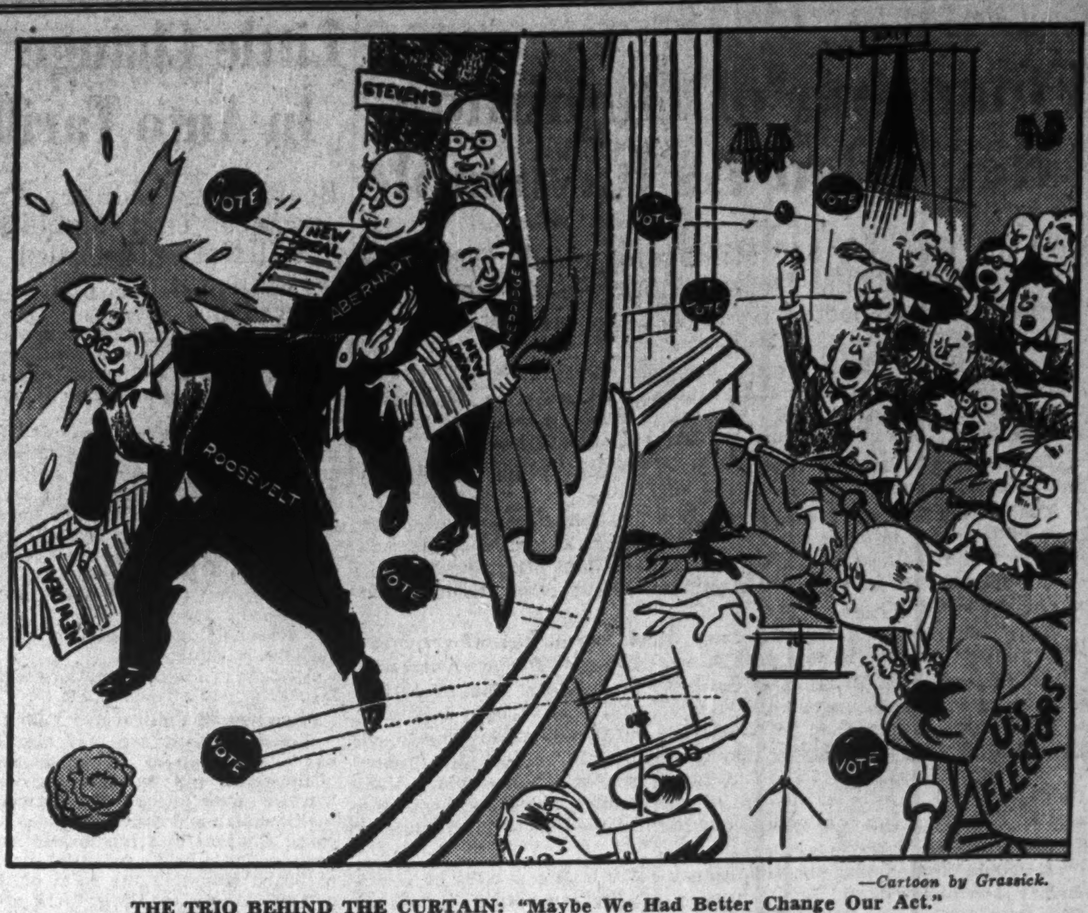
"It is my conviction that the limit of taxation has been reached in relation to our present national income."—*Hon. Eric. Cross, Minister of Municipal Affairs, Ontario.*

* * *

"The whole great move to regenerate Russia will succeed because a nation which gives thought to the future of its children is bound to grow in wealth and wisdom."—*Sir Edward Beatty.*

* * *

"We have more need of a Minister of Health and Beauty than the inept figurehead responsible for the Gilbert and Sullivan farce now dragging into its eighth week at Ottawa."—*Major James Baxter, vice-president, A. McKim Ltd.*



—Cartoon by Grassick.

THE TRIO BEHIND THE CURTAIN: "Maybe We Had Better Change Our Act."

Post-Scripts . . . . .

Hitler's "Spec's"

The other day we were looking at L'Illustratione, a very smart Italian illustrated weekly. It was filled with pictures of the "crisis."

HERR HITLER

Among them was a photograph of M. Daladier signing the Munich pact; one of Signor Mussolini signing and one of Mr. Chamberlain signing. There was no picture of Herr Hitler in the act of affixing his signature.

In each of the three pictures a spectacle case is seen on the top of the polished table. And in that telltale spectacle case will be found, we venture to say, the explanation why Herr Hitler's picture is not in the magazine.

* * *

It is one of the secrets that Herr Hitler has carefully guarded that he wears glasses when reading and writing. He is insistent, however, that no photographer may take his picture when he is wearing glasses. The candid camera man of L'Illustratione may have taken a picture of a bespectacled Fuehrer signing the Munich pact but if he had the temerity to do so, the plate would promptly have been destroyed by one of the uniformed Nazis in the room.

* * *

Glass Ink Bottle

There was another object of interest on the top of the table: a glass ink bottle. Why should there be a cheap glass bottle of ink on the table when the table was equipped with a very striking gold or bronze inkstand with pens and all?

Again we venture to guess at the explanation. Obviously it was because there was no ink in the bronze inkstand.

Imagine the scene: the statesmen of Europe gathered to sign a historic document, a brief moment of "Alphonse and Gaston" manoeuvring as each one asked the other to sign first; a decision that Herr Hitler, the host of the occasion, should sign first; a squeak of the pen in the hand of the leader of 80 million people; the embarrassing discovery that someone had forgotten to fill the inkstand with ink; a hasty search for a bottle of ink; and the signing of post-war Europe's most important diplomatic document with a pen dipped in a cheap glass ink bottle.

These conclusions are the product of our own Sherlock Holmesing. For confirmation we direct our readers to "Herr Adolf Hitler, Führer und Reichskanzler, Führerhaus, Königeplatz, München."

* * *

Railroad "Y's"

Holding of the 21st triennial conference of the Railroad Young Men's Christian Association in Toronto last week gave us a chance to have a look at an organization which has been growing in strength and importance since it was founded 66 years ago in Cleveland.

Curiously enough it was at Toronto in 1876 that an international convention of the parent Y.M.C.A. body made railroading a permanent part of the "Y" programme.

Railroad "Y's" now operate in some 200 communities on this continent. They boast a direct membership of over 100,000 railroad men with an additional 100,000 using their facilities from time to time. The organization now includes the whole transportation industry including employees in the street car, bus and airplane fields.

Canada has 20 Railroad "Y's" extending across the continent from Revelstoke in the West to Brownville Junction in Maine, at the East.

The organization at large has a capital investment of over $20 millions and an annual budget of $4.5 millions. The average membership fee is about $5, which is interchangeable at any point in the continent. The fee does, however, range anywhere from $1 to $50 annually. Each "Y" is run as a co-operative enterprise between the management, the men and the "Y" organization itself, which provides rest, recreation and self-improvement facilities.

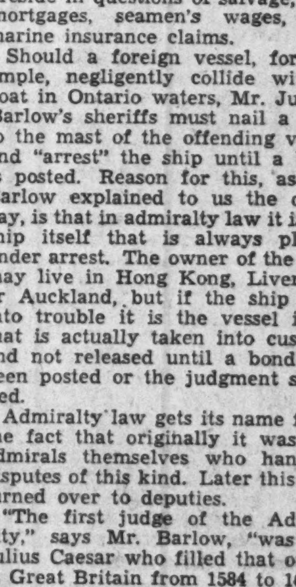
Osgoode News

Toronto's Osgoode Hall became newsworthy the other day when it marked the retirement of colorful 70-year-old D'Arcy Hinds from the post of Registrar of the Supreme Court of Ontario. On the same day announcement was made from Ottawa that Fred Barlow, the Master of the Supreme Court of the Province, had been appointed Admiralty Judge.

Famous for his monocle, his derby hat and his knowledge of Irish customs, Mr. Hinds, though dubbed Toronto's most famous Irishman, was born not in Ireland but Barrie. He was active in politics as a Roman Catholic Conservative. In honor of his retirement the Ontario Government has created him a king's counsel. He says he intends to practise law. He was admitted to the bar at age 50.

* * *

Frederick Holmes Barlow, the new Judge in Admiralty, requests that he be addressed as "Judge" only on the few occasions when he presides over the Admiralty Court. At other times he wants to stick to his title of "Master."



F. H. BARLOW

Few people know much about Ontario's Admiralty Court but Fred Barlow has specialized in Admiralty law since admission to the Bar in 1915. His partner between 1915 and 1935 was F. C. L. Jones, K.C., who used to handle admiralty work at Toronto for Frank King of Kingston, a recognized authority in this work.

Mr. Barlow's responsibility will be to settle all non-criminal disputes having to do with marine commerce in the waters within Ontario's territorial jurisdiction. He will also preside in questions of salvage, ship mortgages, seamen's wages, and marine insurance claims.

Should a foreign vessel, for example, negligently collide with a boat in Ontario waters, Mr. Justice Barlow's sheriffs must nail a writ to the mast of the offending vessel and "arrest" the ship until a bond is posted. Reason for this, as Mr. Barlow explained to us the other day, is that in admiralty law it is the ship itself that is always placed under arrest. The owner of the ship may live in Hong Kong, Liverpool or Auckland, but if the ship gets into trouble it is the vessel itself that is actually taken into custody and not released until a bond has been posted or the judgment satisfied.

Admiralty law gets its name from the fact that originally it was the admirals themselves who handled disputes of this kind. Later this was turned over to deputies.

"The first judge of the Admiralty," says Mr. Barlow, "was Sir Julius Caesar who filled that office in Great Britain from 1584 to 1604."

* * *

Mr. Barlow was born at Alexandria, New York, of U. E. L. stock. His parents brought him to Canada as a child. He was educated at Lyn village, Ontario, then later at Brockville Collegiate and University of Toronto. He was admitted to the Bar in 1915. He continued in partnership with F. C. L. Jones, K.C., until 1935 when he was appointed Master of the Supreme Court of Ontario. He was made a K. C. in 1931.

Mr. Barlow tells us that very few laymen understand the duties of the "Master's Office" in the settling of legal disputes.

In brief, the responsibility of the Master's office is to put a court action in proper shape for trial. "It is a general clearing house for most of the disputes that arise between litigants from the time of the actual commencement of the action until the trial." In between this period all manner of legal technicalities and complications may arise. It is these matters that must be argued before and settled by the Master.

The Master's office also has jurisdiction over questions involving lunacy, receiverships and the winding up of companies, which may be referred to him by order of a judge. The office is also responsible for all mechanics lien proceedings.

In the Mail . . . .

Urges Wider Circulation

Editor, The Financial Post:

Through the courtesy of a neighbor, I have been privileged to read the article "England Shows Us Road To National Greatness" in your Oct. 29 issue.

I am writing to compliment you for the way you have portrayed the manner in which the situation is being met in the Old Country and how vital it is that the whole of the British Empire must follow suit—especially Canada.

I have also read your editorial dealing with the lack of unity and cohesion in Canada, and how our leaders in both the Federal and Provincial Governments, are apparently playing political football with one another instead of getting together or making any attempt to help the Old Country to remedy the situation.

I have one suggestion to make.

That the article and editorial be forwarded to each member of the Federal House and also to each member of the various Provincial Houses, also a copy to each Chamber of Commerce and Social Service Organizations such as the Canadian Legion, the I.O.D.E. and any others that are keenly interested in anything to do with the maintenance and prestige of the British Empire.

JAMES GREIG.
Duncan, B.C.

Governments Don't Go Bankrupt

Editor, The Financial Post:

In reading the many comments made on the Globe & Mail's remark that Canada is bankrupt, I note one remark attributed to the president of a life insurance company. It is to the effect that Dr. W. C. Clark, Deputy Minister of Finance, has done a wonderful job in making it possible for the Dominion to refund such a large part of the national debt at lower interest rates.

It is this sort of glib optimism which is chiefly responsible for the present condition of this country. Dr. W. C. Clark, who is undoubtedly a very competent public servant, has absolutely nothing to do with this country being able to borrow money at lower interest rates. That is the result of hard times—and I do not think that Dr. Clark takes any responsibility for those. If business in Canada were to recover appreciably, interest rates on Government borrowings would rise steeply. Would that be evidence of the incompetence of our treasury officials?

Of course Canada is not bankrupt, despite what the Globe & Mail says. National governments never go bankrupt. They have the power to [illegible]. The consequence of the present conditions in Canada will not be repudiation or bankruptcy in any form for the Government. It will be, sooner or later, a period of inflation, and bankruptcy for the individual who happens to depend on money as a provision for old age or dependency

ECONOMIST.
Montreal, P.Q.

Czech Refugees

Editor, The Financial Post:

I have just read the article in your paper of the 12th instant, "Does Canada want Czech Refugees."

Off hand I would be inclined to say no. But as you say there is a sympathetic side to the question. As for the educated professional class, I doubt that we want them as our colleges turn out more of them every year than the country can consume. There are more going for education today than are capable—they might better work or learn a trade.

As the mayor of Belleville, Ontario, says (and he is not all wrong) young men and girls of 14 years who are not overloaded with ability would be better not to go to high school. It is only a waste of time for them and spoils them for work. Special artisans might find a place for a limited number.

The only class we really can take to advantage, in my opinion, is the agricultural class—peasant farmers and workers. Put them on new land near towns if you can or on abandoned farms. We do not need any Jews, they are only competitors in trade and will not benefit the country. Let the British Government send them to East Africa to establish a colony of the refugees.

No aliens should be in big blocks because you cannot assimilate them or make good of them. One thing we need is to advocate Canadianism and British liberty. All aliens to become good Canadians need to be educated in the British language—talk two or three languages if you like—but get educated in the language of the country or stay out.

The Czechs I would think are good stuff. Germans make good settlers but I am doubtful if they would be loyal to our country. They would be apt to listen too much to Mr. Hitler haranguing them and would forget where they got their liberty.

It is hard to say what our government is liable to do. Mr. King is apt to support the policy of least resistance—say nothing but let things drift.

C. A. WARTMAN,
Waterford, Ontario.

Stop Me If . .

Rastus's lawyer was informing him on the legal status of his matrimonial relationship and his chances for a divorce. "Mistah Brown, I have discovered I kin get you a divorce on account of her father. He had no license to carry a gun."

The King's Visit

The King and Queen
Brantford Expositor

The Financial Post suggests that in place of civic banquets, a visit to the home of the quintuplets and tours of points of civic interest the King and Queen be taken to Canada's gold mines, her pulp mills, her hydro-electric plants and her chief industrial centres.

Sounds as if there is a mite of truth in that. Canada's industrial strength has too long been "hidden under a bushel."

Let Them See Us As We Are
Stratford Beacon Herald

The political and patriotic angles of the forthcoming visit of the King and Queen to Canada are being given ample emphasis—which is as it should be.

However, there is another side to the Royal tour—the opportunity offered for advertising Canada's natural and applied resources to the whole world. The Financial Post stressed the latter point in an editorial this week.

Agreeing that the usual civic receptions, unveiling ceremonies and social events connected with such visits are important in their way, The Post reminds its readers that Canada boasts some of the world's greatest gold and other mines, the biggest newsprint plants, hydro-electric projects of immense appeal, and famous farms and far-reaching industrial plants.

We feel that certain objectives should be kept in mind in planning the Royal itinerary. Their Majesties' strength and comfort should be the first consideration. Opportunities for seeing and being seen and acclaimed by the maximum number of Canadians—young and old—should be provided. A panorama of the broad Dominions, rather than local sights and scenes should be the basic principle of the tour. Social functions that emphasize "dollar society" should be few, if any.

Monday Holidays

Holidays in the Week
Belleville Intelligencer

The placing of holidays in the week has been raised this time by the Montreal Gazette which argues that Dominion Day which fell this year on Friday could be fully celebrated as people would like to have it celebrated on Monday.

In this day the longer week end is growing in popularity and this may make easier the introduction of such a change as the Gazette and The Financial Post of Toronto have been proposing.

Make it Fixed!
Prince Rupert Empire

Dominion Day this year fell on a Friday and was duly celebrated on that day, says the Montreal Gazette. In a great many instances business firms closed their establishments from Thursday night to Monday morning rather than bring their staffs back for a half day's work on Saturday morning, and a very large number were able to take advantage of the long week end thus afforded. They were the envy of those less fortunate who, after enjoying a full holiday on Friday, were recalled to their posts on Saturday morning.

The Financial Post says that for the thousands of employees in retail, commercial and industrial establishments who were thus required to work a half a day on Saturday, the Friday holiday was largely wasted, and from this fact The Post argues in favor of a fixed Dominion Day, preferably the first Monday in July. This, it thinks, will be a commonsense revision of present statutory legislation, will allow equal opportunity and enjoyment for all, and still permit ample expression of loyalty to the ideals and memory of Confederation.

Statutory Holidays
Fort William Times-Journal

The Financial Post, Toronto, advocates a change in the date of Dominion Day, and would have it celebrated on the first Monday in July, instead of on July 1, which is the official date and has been the date since the beginning of Confederation. We have no particular quarrel with The Financial Post over this proposed change, though it does run counter to tradition and would be on a par with the United States changing the July 4 holiday to the nearest Monday to that date.

But The Post, in its desire to avoid what it calls "a shifting holiday that clings to the outworn fetish of celebrating anniversaries on their dates," wonders whether one person out of 100,000 could say exactly why July 1, rather than June 30 or July 2, was selected as Dominion Day.

It would be no easier to teach in our schools the reason for having a holiday on the first Monday in July than it would be to tell them why July 1 is called Dominion Day.

Have the long week end if you want it, but do not bolster up the argument by slandering our teachers of Canadian history.

Monday Half-holiday
Calgary Albertan

For some time there has been a movement on foot in Canada to have all legal holidays fall on Mondays, so as to permit long holiday week ends.

Now come a group of Saskatoon storekeepers with another idea—a suggestion of their own.

A survey of Saskatoon merchants, it is reported, shows many businessmen in favor of taking their weekly half-holidays on Monday mornings. Saskatoon has had a weekly half-holiday for years, but it extends to only five summer months. There is a movement now to extend this half-holiday to 11 months of the year, as many of the stores have been doing voluntarily for some time.

The storekeepers suggest that setting this half-holiday on Mondays would give their employees a long week end every week. Little or no business is done Monday morning anyway, they say. Some merchants see the Monday morning closing as a step in the direction of a five-day week for all store employees.

Week in Business

Immediate Future Bright As U.S. Business Climbs

Canadian and British Picture Improves — Long Term Prospects Depend on Peace in Europe, Private Recovery in United States

Immediate outlook for Canadian business continues favorable. Principal reason is returning prosperity in United States. General business volume in that country this week passed the 1937 level and still points upward. Total volume of American business for the current year, of course, will not begin to equal 1937, but 1938 will end on a sharply rising and hopeful curve, contrasting with the nose dive of 12 months ago.

Canada tied vitally by trade investments, and customs to her big neighbor is bound to be affected by this American recovery just as she eventually suffered in sympathy with the recent slump across the line.

Only with one other country, **Great Britain**, is there a relationship of comparable intimacy, and there, too, the immediate prospect is for at least steadiness if not improvement. Business forecast of the Federation of British Industries for the remainder of 1938 states:

> "The dissipation of the fears of immediate war, the prospect of an acceleration in rearmament, and the recovery of business which is under way in the U. S. A. in connection with President Roosevelt's second "pump-priming" programme together should go some way to assist in sustaining the level of activity in this country during the remainder of the year. At the same time, important adjustments still require to be made in our internal situation before there can be any real change in the underlying trend."

• • • •

Of the long term business view, much if not everything depends on two factors; peace in Europe and ability of private interests in United States to carry on after present colossal Government pump-priming is discontinued. In both categories, there is considerable ground for optimism.

The groundwork has been laid for international accord across the Atlantic and though recently disturbed by further Jewish oppression in Germany, certainly the outlook is more favorable than eight weeks ago.

Recently, too, there has been definite indication of a revival of private initiative in United States. Automobile, steel and electric power output have jumped forward. Following the recent election there is almost certain to be more consideration for private big business by the authorities at Washington. The huge backlog of deferred purchasing developed during the long depression largely remains and only waits a revival of general confidence to become a major bullish factor.

• • • •

Canada is one of the few countries of the world which regards certain gold exports as regular commodities. As a result our foreign trade figures are bedevilled with upsetting but really insignificant fluctuations. In the current monthly letter of the Canadian Bank of Commerce attention is focused on this point.

It explains that a large part of our recent reported decline in exports was due to the fact that there has been a temporary demand for gold coin instead of bullion and the former, unlike bullion, is not classed by the Department of Trade and Commerce as merchandise. Had it been included exports for the 12 months ended September would have been down only 13% from 1937 instead of the 17.4% officially reported.

Business Indicators

Current business steady with little change in D. B. S. weekly index, now 3% above a year ago.

Domestic trade running slightly below this time in 1937. Department store sales in October show slight decline from September and about 4% below last year.

Carloadings ease from recent highs following contraction in grain movement and as yet no substantial recovery in other freights.

Railway gross earnings while still substantially above earlier months now beginning to contract following decline of grain shipments from country elevators.

Flour exports in October show **biggest** gains in last five years and with plentiful supplies of cheap raw materials again, this movement expected to continue. Wheat exports also jump.

Newsprint production for first time this year now beginning to show moderate increase. Cumulative for year to date, however, down almost 30%.

Current trend in Canadian business shown by The Financial Post index of business activity, with new figures for the week marked thus▲.

	Nov. 5	Oct. 29	Oct. 22	Oct. 15	Nov. 6/37
Commodity prices	73.6	73.9	74.0	74.3	83.6
Weekly index, D.B.S.	108.2	108.6	108.2	109.1	105.2
	Oct.	Sept.	Aug.	July	Year Ago
Financial Post index	....	112.6	109.2	109.0	123.9
Retail index no. of sales	....	78.9	76.4	77.6	81.8
Dept. store "	76.6	76.8	74.7	75.3	79.5
Wholesale "	....	106.6	98.2	90.1	113.3
Country (% change) fr. last yr.	....	—3.9	—0.8	—4.2	....
Employment D.B.S. Index—					
	Oct. 1	Sept. 1	Aug. 1	July 1	Year Ago
All industries	116.7	115.1	112.5	113.5	125.7
Manufacturing	112.5	113.8	110.0	111.8	121.2
Wage earners, No. (000)	....	....	2.378	2.308	2.536
Living costs¶	....	$17.41	$17.70	$17.45	$17.41
			Jan. 1 to date		%
Railways—	1938	1937	1938	1937	Change
Carloadings, week (Nov. 5)	▲53,960	56,987	2,075,854	2,245,581	—7.5
C.N.R. gross, week (Nov. 7)	$ ▲4,011,965	4,068,109	154,284,553	169,471,765	—8.9
C.P.R. gross, week (Nov. 7)	$ ▲3,263,000	3,052,000	120,543,000	122,882,000	—1.9
C.P.R. net revenue (Sept.)	$ 3,651,406	3,141,712	7,330,793	13,073,941	—44.0
C.N.R. net revenue (Sept.)	$ 2,661,439	2,342,485	•2,455,254	10,527,862	....
Iron and Steel (September)—					
Pig iron production (tons)	49,972	76,180	554,845	654,438	—15.2
Steel ingots and castings prod. (tons)	73,556	114,622	911,005	1,077,462	—15.5
Automobiles (Number)—					
Passenger Cars:					
Domestic sales* (Sept.)	3,832	3,920	75,652	96,385	—21.6
Factory output (Sept.)	4,290	1,926	88,728	117,816	—24.9
Trucks and Buses:					
Domestic sales* (Sept.)	1,879	2,220	22,144	25,753	—14.0
Factory output (Sept.)	1,799	2,491	34,978	43,855	—20.2
Exports (Sept.)	3,460	4,002	47,092	55,418	—15.1
Financing (Sept.)—					
Used	$ 2,631,355	2,646,699	28,966,564	28,072,301	—0.01
New	$ 2,245,629	2,436,106	27,477,491	33,717,544	—18.5
Construction—					
Contracts awarded (Oct.)	$ 18,111,000	20,169,900	161,572,700	198,576,800	—18.6
Cement, bbls. (Aug.)	712,000	909,000	3,523,885	3,845,588	—8.4
Agriculture—					
Flour prod., bbls. (Sept.)	1,639,231	1,437,586	9,182,119	9,629,193	—4.6
Flour exp., (Oct.)	▲528,601	336,478	3,068,926	3,343,412	—8.2
Wheat exp., bus. (Oct.)	▲24,579,370	10,055,102	76,492,259	74,829,853	+2.2
Cattle sales (Oct.)	79,411	136,319	550,392	726,633	—24.2
Hog sales (Oct.)	52,127	74,147	508,841	744,988	—31.7
Sea Fisheries (Aug.)‡—					
Catch, cwts.	1,503,750	1,534,420	5,571,330	5,663,543	—1.6
Landed value	$ 3,378,445	3,200,660	12,017,662	12,579,648	—4.6
Newsprint (tons)—					
Production (Oct.)	▲254,872	315,477	2,169,532	3,051,527	—28.9
Exports (Sept.)	195,586	308,654	1,719,318	2,528,468	—32.0
Mining and Oils—					
Coal prod., tons (Sept.)	1,112,828	1,421,383	9,827,615	10,846,890	—9.4
Coal imports, tons (Aug.)	1,463,919	1,776,998	7,930,154	9,918,926	—20.0
Gold prod., fine oz. (Aug.)	412,135	349,108	3,051,081	2,672,812	+14.1
Nickel prod., lb. (Aug.)	16,548,872	20,666,636	142,948,144	147,946,046	—3.3
Copper prod., lb. (Aug.)	49,321,991	44,549,447	390,978,155	330,034,102	+18.4
Crude oil prod., bbls. (Aug.)	817,706	291,641	4,430,463	1,599,185	+178.0
Crude oil imp., bbls. (Sept.)	5,264,600	4,380,400	26,558,632	27,959,063	—5.0
Electric Power Output (Sept.)—					
Total monthly m.k.w.†	2,163,645	2,204,291	18,938,359	20,346,208	—6.8
Foreign Trade—					
Imports (Sept.)	$ 56,411,727	70,240,465	505,952,759	593,018,033	—14.8
Exports (Sept.)	$108,542,466	95,216,148	689,479,864	834,972,109	—17.4
Other Industrial Factors—					
Dressed lumber exp.: M. bd. ft. (Sept.)	139,448	223,507	1,208,655	1,427,399	—15.4
Shoes, prod., pr. (Sept.)	2,069,929	2,256,289	16,821,756	19,116,522	—12.0
Cotton, imports, lb. (Sept.)	6,101,000	4,582,000	86,060,000	102,174,000	—15.8
Raw rubber imp., lb. (Sept.)	3,146,645	5,367,536	38,612,585	50,966,814	—24.2
Cigarette cons. (Aug.) No.†	668,798	663,989	4,539,360	4,374,163	+3.7
Sugar manufactured, lb.§	96,562,843	107,859,853	663,679,817	634,134,794	+4.6
Finance—					
Bank debits (Sept.)	$ 2,654,813	2,736,625	22,077,381	26,253,228	—15.9
Bond sales (Oct.)	▲$118,697,138	51,695,900	945,722,638	986,290,971	—4.1
Life insurance (Sept.)	$ 27,442,000	27,730,000	275,613,000	281,297,000	—2.0

*D.B.S. All-Canada figure comprising over 90% of the Canadian total.
†000's omitted. §For four weeks to Oct. 8, 1938.
‡Unrevised figures covering N.S., P.E.I., N.B., Que., B.C.
¶For average family per week, food, fuel, rent. •Deficit.

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CHEVROLET IN NEW DRESS

Sleek new body lines highlight a wide range of models in the two series of Chevrolets offered by General Motors this year. Production is now in full swing at Oshawa and new models are making their appearance in dealer's showrooms across Canada. Optional equipment is a new vacuum powered gear-shift on the steering column. There is advanced knee-action on the master de luxe and a new system of springing for the master 85 series.

Parking brake, which is independent of the regular hydraulics, has been moved from the floorboard and is mounted under the cowl to the left of the steering wheel.

Greater engine economy easier steering and less road shock is claimed for the 1939 models. Headlamps are larger and are set in the valleys between fenders and crown. Extensive interior changes include increased windshield area, relocation of instruments and controls and new colors and textures of upholstery.

Background of Business

Using More Power

Output of central electric stations, one of the most significant business barometers available, has shown steady improvement in recent months. The D.B.S. index rose to a new high for the year in September, touching almost 224, as compared with 218 for August. It is still, however, running slightly behind the corresponding month a year ago.

Deleting exports and the secondary off peak power, total output in kilowatts for September was 1.53 millions as compared with 1.57 in September a year ago. Ever since April of this year, there has been a decline over the corresponding month a year ago, but recently the figures have been getting very much closer. Prior to April, there was a steady gain over the year previous and this gain went back for several years.

• • •

Less Livestock

Canada's livestock population is sharply down this year, a recent survey of the Dominion Bureau of Statistics reveals. Total reduction for all classes from a year ago is estimated at almost 4%. Principal decreases occurred in cattle and hogs. Shrinkage, of course, largely traces to the extreme feed shortage in the western provinces in 1935, 1936 and 1937. Return of good crops in that region is still too recent to materially affect livestock population but there should be a gain by next spring.

Horses, rather surprisingly, show only a moderate reduction, slightly over 2% and, in five of the nine provinces, P. E. I., Quebec, Ontario, Manitoba and B. C., there are small gains. There was a 7.7% loss in Saskatchewan, due, no doubt, to feed shortage, increase of tractors and also a new disease.

Most serious cattle loss has occurred in Saskatchewan where total stocks at the beginning of June this year were almost 22% below 1937. This was offset to a certain extent by moderate gains in the eastern provinces, but aggravated again by a loss of almost 7% in Alberta. Total cattle population for Canada was down 3.7%.

Most serious of all has been the falling off in hog production upon which, of course, depends Canada's lucrative bacon trade with Great Britain. Total shrinkage this year was estimated at an even 12%, with losses in every province except Prince Edward Island.

In Ontario, where more than 40% of Canada's hogs are raised, the drop from a year ago is 4%, while in Saskatchewan there is a decline of 40%.

• • •

Higher Marmalade?

Higher marmalade prices in Canada would not surprise Canadian Grocer this season. That publication reports higher quotation for Spanish Seville (bitter) oranges this season following severe frost damage in southern Spain. This part of the country is under the control of General Franco, leader of the Spanish rebels, and prices are apparently set by these authorities.

Early quotations are two shillings per box higher than a year ago. In some districts the output is said to be only 25% of normal and for the whole crop a reduction of 50% is expected.

• • •

Drug Sales Off

Drug store sales during the first eight months of the current year declined slightly over 3% from the same period in 1937, reports Drug Merchandising. Incidentally last year was the best year for drug stores since 1930.

• • •

Hardware Sales Gain

Substantially better hardware sales are reported in western Canada this fall by Hardware and Metal's Winnipeg correspondent. Low prices have added stimulus and also the good crop in many parts of the prairies, especially in Manitoba, central Saskatchewan and Alberta. Contrary to last year, farmers have marketed their crop quickly and are, therefore, in a position to put this money into circulation earlier than in 1937.

• • •

Sell Frozen Fruits

Several big retail merchants in Toronto and Montreal have now installed satisfactory equipment to handle frozen fruits and vegetables, Canadian Grocer reports. Display refrigerators have been installed that can take temperature down to 17 degrees below zero, but fruits and vegetables are usually kept in a temperature of three to five degrees below. Quick-frozen fresh fruits and vegetables include strawberries, raspberries, sliced peaches, sweet cherries, blueberries, green peas, fresh spinach, corn on the cob and broccoli, each being offered in 16-ounce containers. Delivery of these frozen products can be made one day and, if kept in a reasonably cool temperature, can be served fresh as late as the following evening.

"This is not the first time that quick-frozen fruits have been offered by retailers," comments Canadian Grocer. "Several years ago frozen strawberries were shipped to Ontario from Quebec and British Columbia. Quick-frozen fresh fish have been shipped to Upper Canada for some time from the Maritimes for resale through retailers, but the sales have been limited."

Business Table In Simpler Form

This week the Business Indicator table at the left appears in simpler, more graphic form. To cumulative figures for the year to date has been added a column showing the percentage change from a year ago.

Now at a glance and without the aid of pencil and scratch pad, readers will be able to see just where any significant industry stands in comparative production this year.

Unfortunately, just now, he will note that in most lines volume is still running substantially behind 1937, though there are some satisfactory bright spots in mining and oil.

Foreign Business

United States Department of Commerce summarizes foreign business as still generally hesitant but hopeful of an early upturn.

Mexico—Further consolidation of preceding two months' slight business improvement was recorded in October, but foreign purchases still tended to be withheld in anticipation of a stronger peso.

El Salvador—Merchants concentrating on reducing inventories and despite sluggishness of the market there is hope of an early upturn.

Costa Rica—Abnormally heavy October rains kept trading at a minimum, but there were signs of increased activity at close of the month.

Jamaica—Economic and industrial conditions continue generally satisfactory with wholesale and retail trade good.

Japan—Exports only moderately smaller than last year, while imports declining considerably; the excess of imports over exports for 10 months has been greatly reduced as compared with last year.

Italy—General business has failed to show the normal upturn this fall but metal and engineering trades and shipbuilding remain very active.

Sweden—Gradual slackening continues in economic activities but the situation still unusually favorable.

Denmark — Third-quarter developments in general extremely favorable, despite the adoption of a number of temporary emergency measures during the period of general European unsettlement; these measures have since been repealed.

Portugal—Slack demand and low prices for export products have emphasized business dullness but industrial and mineral production has been well maintained.

Turkey—Both imports and exports declined recently and for eight months the excess of imports over exports has increased considerably.

Greece—Business remains steady with crop developments generally satisfactory and industries active.

Colombia—Notwithstanding spottiness, October business gave evidence of recovery from seasonal dullness.

Foreign Exchange

AT TORONTO AND MONTREAL

U. S. Dollar	High	Low
Nov. 14	1.01	1.00⅞
Nov. 12	1.00$\frac{31}{32}$	1.00¾
Nov. 11	—Holiday—	
Nov. 10	1.00¾	1.00$\frac{21}{32}$
Nov. 9	1.00$\frac{11}{16}$	1.00⅝
Nov. 8	1.00$\frac{21}{32}$	1.00⅝
U. K. Pound	**Closing**	**Last Year**
Nov. 14	4.75⅝	4.98½
Nov. 12	4.76⅛	4.98⅛
Nov. 11	—Holiday—	
Nov. 10	4.77⅜	4.99½
Nov. 9	4.78⅜	5.00
Nov. 8	4.78⅞	5.01½

Other Currencies, Nov. 14

Australia	3.80⅝	Italy	.0531
Belgium	.1706	Japan	.2788
Czecho	.0347	Jugoslavia	.0235½
Denmark	.2126	N. Zealand	3.83¾
France	.0266	Norway	.2393
Germany	.4041	S. Africa	4.74¾
Greece	.0088	Sweden	.2454
Holland	.5451	Switzerland	.2280
Hungary	.2000	Hong Kong	.2969
India	.3576		

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B.C. Revenues Up This Year

Net Debt Reduced $2 Millions in 12 Months Ended Oct. 1

Revenues of the Province of British Columbia for the current fiscal year may exceed the peak recorded in the year ended March 31, 1938.

In his budget speech before the British Columbia Legislature, Hon. John Hart, Minister of Finance, reported revenues for the first six months of the current year amounted to $17,854,337. This is $1,235,973 more than was collected during the same period of the 1937-38 year. In the budget brought down a year ago, revenue for the current year was estimated at $28,065,341. Actual collections in the 1937-38 year amounted to $31,036,942.

The increase in revenue is largely due to higher income tax receipts, collections from this source showing an increase of $1,671,778. A total increase of $2,180,029 in revenue items is partially offset by decreased collections from certain other sources, such as succession duties, timber royalties, and motor vehicle licenses, amounting to $944,956.

Up to the end of September, actual expenditures recorded in the Comptroller-General's books totalled $15,787,083, an increase of $3,727,324 over the same period of 1937-38. However, this sum includes repayment from current revenue of a $2 million debenture maturity on July 8 last.

Expects Large Surplus

Present indications are that British Columbia will again have a large surplus on ordinary account, exclusive of relief costs. In the 1937-38 fiscal year the province had an ordinary surplus of $3,364,899 which was applied toward the cost of unemployment relief. In the current year, Mr. Hart anticipates there will be a revenue surplus sufficient to defray a material proportion of the provincial relief costs, even after repayment from current account of the $2 millions maturity on July 8 last.

In bringing down his budget for the 1939-40 year, Mr. Hart has followed his usual practice of making a conservative estimate of revenue, the budget estimate being $28,820,641. Expenditures are estimated at $28,765,457, leaving an estimated revenue surplus of $55,184 before making any provision for unemployment relief costs.

The revenue estimate is $2,216,301 below actual collections in the 1937-38 year. Estimated expenditures are $1,093,414 above actual expenses in the 1937-38 year, but are only $89,218 above the budget estimate for the current year.

In discussing the relief situation, Mr. Hart told the legislature that extensive forest fires, the resultant hard times closing down of a number of logging operations, and the incidental reaction on allied industries, aggravated, to a great extent, what otherwise might have been a minor increase in the number of unemployed during the past four months.

In the 12 months ended Oct. 1, 1938, net debt of the province was reduced by more than $2 millions to $149 millions. Comparative debt figures are given below:

Debt Position
As at October 1

	1938	1937
	$	$
Stocks & bonds	122,408,236	125,426,236
P.G.E. Rlwy.	20,160,000	20,160,000
Treasury bills	39,823,117	37,452,623
London mtge.	65,475	75,175
Unfinanced deficits	4,067,370	4,067,370
Gross debt	186,424,198	187,181,404
Less: Sinking funds	37,344,109	36,018,746
Net debt	149,080,089	151,162,657

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GUARDIAN OF CANADIAN HOMES

Market Leaders — No. 4

Page-Hersey—A Specialist With Many Markets

Building Programme Will Widen Markets; Finances Are Strong

Finding a market for its products in a wide range of industry, as well as having a stake in the U. S. and export business, places a company in a favored position during a period of improving business. Fourth in the series of Market Leaders, The Financial Post this week studies Page-Hersey Tubes, Ltd.

Next week: British American Oil Co.

By A. D. ELLWOOD,
Staff Writer, The Financial Post

Companies engaged in steel making or fabricating in any form are usually regarded as subject to risks from changes in the business cycle that are more intensified than is the case with most industrial concerns.

The theory is that these companies are engaged in the so-called "heavy" industries; they are closely allied to construction and industrial expansion. Consequently they suffer more severely in times of depression but also prosper above the average in periods of rising business trends.

On this basis the present may be a time when stocks of such companies have more than average attraction. For opinion seems generally to be that the next few months at least is going to see business gains on a wide front.

A Pipe Specialist

Page-Hersey Tubes, Ltd., is engaged in the steel industry, or at least in one phase of it. It is a specialist in the industry, confining its activities to the manufacture of pipe and tubing for practically every industrial purpose. Only place where Page-Hersey goes outside of the manufacture of pipe and tubing is to provide sockets and nipples, bends and items required in the use of its chief product.

A specialist in any line usually is better at making and selling its specialty than would be concerns making a wide variety of products. Page-Hersey is in the position of the specialist.

Beginning in Guelph, Ont., with a plant for making butt-welded pipe in sizes up to 3-in. diameter and having an annual capacity of 30,000 tons, the company now operates six plants, either directly or through subsidiaries.

Three of these are at Welland, Ont., making buttweld, lapweld and weldless pipe and tubes with respective annual capacities of 60,000 tons, 40,000 tons and 60,000 tons, or a combined total of 160,000 tons. The weldless plant was completed in 1931 at a cost of $2 millions. A plant is operated at Guelph, Ont., manufacturing light wall tubing as used for bedsteads, automobile parts, lamp stands, and similar items.

Also Has U. S. Plants

In 1917 Page-Hersey acquired the Cohoes Rolling Mill Co., Cohoes, N.Y. This wholly-owned subsidiary operates two plants manufacturing genuine wrought iron pipe, steel pipe and conduit pipe for electrical purposes.

Page-Hersey does not publish a consolidated balance sheet so that its holdings in Cohoes Rolling Mill Co. are only a portion, probably the major part, of investment in subsidiaries and allied companies amounting to $730,000 at the end of 1937. Chief source of revenue to the parent company is any dividends that might be paid by the subsidiary and there is no information as to what this amounts to. No revenue was received from Cohoes in 1934, 1935 and 1936 but dividends were paid in 1937.

Fretz-Moon Process

Currently the most interesting development for Page-Hersey is the acquisition of Canadian rights to the "Fretz-Moon Process" for manufacturing buttweld pipe. This new process will permit a higher yield of finished steel in relationship to gross charges of steel to the furnace with a corresponding reduction in scrap losses.

Greatest advantage of the new method is ability to manufacture automatically uniform pipe lengths running up to 50 feet. Under present manufacturing methods it would be necessary to weld two 25-foot lengths to make one of 50 feet. It is said that a demand is already existent for the longer pipe lengths but this will not replace the present steel pipe making methods in entirety. Boiler tubing, for example, will still be made in the present weldless pipe plant.

Can Finance New Plant

An entirely new plant will have to be built to utilize the Fretz-Moon process, probably entailing the largest building programme for Page-Hersey since the weldless pipe plant was built in 1931. Final decision on plans has not yet been made.

Page-Hersey will be able to finance any building programme required from its own resources which included $813,272 in cash and marketable securities having a market value of $2.9 million at the end of 1937.

A glance at the varied markets for Page-Hersey products reveals another possible answer to the criticism already mentioned that the company is too much a one-product concern. There is hardly any line of industrial activity that does not require pipe or tubing in some form or another. Page-Hersey makes raw pipe and couplings for the manufacture in Canada of rigid conduit for electrical services. For makers of heating apparatus or refrigerating plants, it makes coils and piping. The oil industry is a very important customer; mining requires large amounts of piping; construction and building generally provides a huge market.

Mention of the oil industry recalls Turner Valley. So far, however, it is believed that growth of business from this source has been somewhat disappointing. The rotary drilling rigs, for example, require a special type of pipe which is not yet supplied from Canadian sources. This pipe comes largely from equipment companies specializing in making and selling drilling equipment. But there is also a large market in the various pipe lines needed, manufacture and extensions of refineries and other oil and gas handling equipment, also oil well tubing, which Page-Hersey has been able to tap.

Page-Hersey carries on an export business to many countries. In recent years this business has met many difficulties from subsidized exports, from Germany in particular. The result has been an unsatisfactory price schedule but the 1937 report pointed out that export business improved in that year.

Not a great deal is available as to price levels in the pipe and tube industry in Canada. The Bureau of Statistics prepares an index of prices for cast iron and steel pipe which may give some indication. For September this index was 97.1 (1926=100) as compared with 101.7 in September, 1937, and an average of 97.9 for all of 1937. In June of this year there was a reduction to the current level of 97.1 from the 101.7 that had prevailed for some months previously.

The current year is not likely to result in as high a level of profits for Page-Hersey as did 1937. It is believed that so far the talked of improvement in business this fall has been largely talk so far as Page-Hersey is concerned. But the reduction may not be very great. Statements given out covering the first two quarters of this year indicated that sales had been better than anticipated and that the $2 a share paid in dividends had been covered from earnings for the first half of the year. Regular annual rate is $4.

Inventories, which increased $831,641 as at Dec. 31, 1937, over the end of 1936, were below normal at the beginning of July and working capital had been increased. Last year, C. L. Dunbar, president, referred to higher costs for materials and labor. It is probable that most of these items have not been down a great deal for 1938 although some reduction is expected. Last year, Page-Hersey earned $5.92 a share on its common stock and paid dividends of $4 regular and 25 cents as a bonus.

Only One Class of Stock

Page-Hersey has a simple capital structure. When the last of the old 7% convertible preferred was redeemed in 1935, it left only 174,265 common shares outstanding, out of an authorized issue of 175,000 shares of no par value.

The company has authority from shareholders to purchase 34,276 common shares for redemption. This authority, granted by shareholders in March, 1937, has not yet been exercised nor is there any immediate prospect of it being used. The authority was asked to permit directors to purchase certain shares held in estates of which the largest holdings are believed to be the estates of W. W. Near and H. C. Scholfield, two former presidents who died in 1935. In the event that executors of these estates desired to liquidate holdings of Page-Hersey shares, this authority might be exercised but it is only permissive. In the event that the 34,276 shares should be redeemed, it would result in strengthening the equity of remaining shares in earnings and assets but would undoubtedly reduce liquid assets. The probability of these liquid assets being required for a building programme might make less likely any action in this regard.

Stable Dividend Record

Page-Hersey has an excellent record of dividend payments. The present company was formed in 1926 and has paid common dividends out of annual per share earnings each year as follows:

Common Dividends and Earnings

	Earned $	Paid $
1926	2.49	0.75
1927	7.03	3.00
1928	11.30	3.00
1929	11.29	4.00
1930	10.33	5.00
1931	5.81	5.00
1932	1.96	4.00
1933	1.82	3.00
1934	3.55	3.00
1935	3.68	3.00
1936	4.25	3.00+0.25
1937	5.92	4.00+0.25

This tabulation shows that net profits have only been insufficient to cover dividends in 1932 and 1933, both depression years. It also shows that the company has been reasonably conservative in its dividend disbursements and this may place a limit on what shareholders can expect in the future.

This policy has permitted Page-Hersey to establish and maintain a strong liquid position. Mention has already been made of its resources in cash and investments. Taking investment at book value, which was less than market value in each of the past three years, net working capital has been equivalent to the following on a per share basis:

Working Capital
(Thousands of dollars)

	1937	1936	1935	1934
Current assets	6,803	6,362	6,102	5,685
Current liabs.	467	345	246	242
Working capital	6,336	6,017	5,856	5,623
Per sh. com.	$36.36	$34.53	$33.62	$32.27

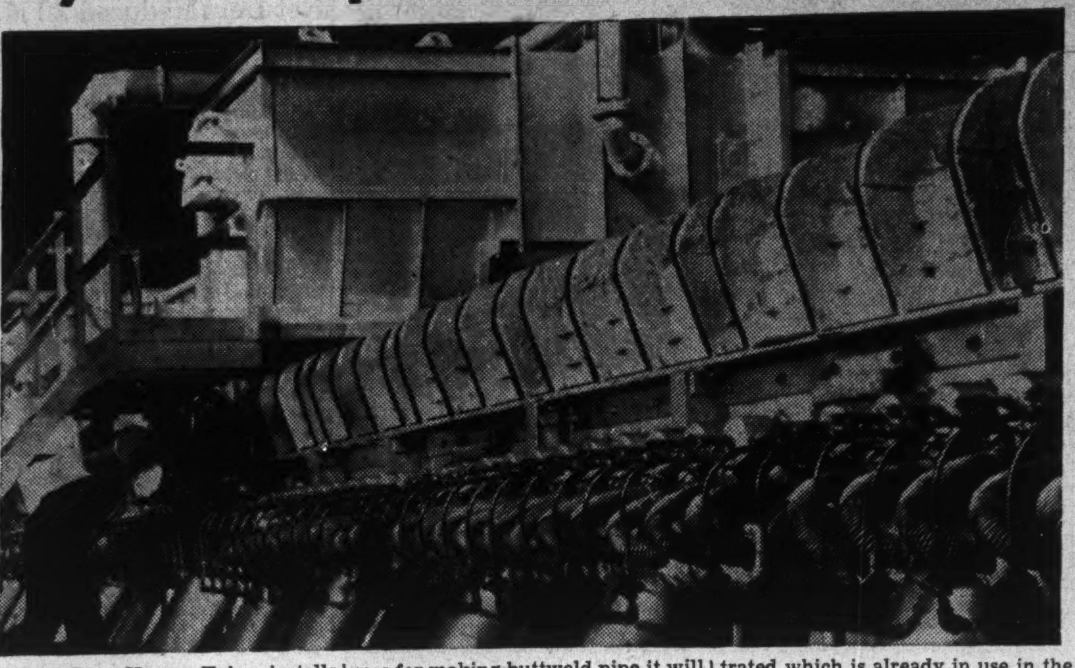
Large Depreciation Provided

Page-Hersey's balance sheet as at Dec. 31, 1937, showed total fixed assets of $5.1 millions. Against this there had been provided depreciation reserves of $2.2 millions, or almost one half of the book value of the assets. The company's total surplus was $3.6 millions, of which $2.5 millions was designated surplus and the rest, or $1.1 million, profit and loss balance.

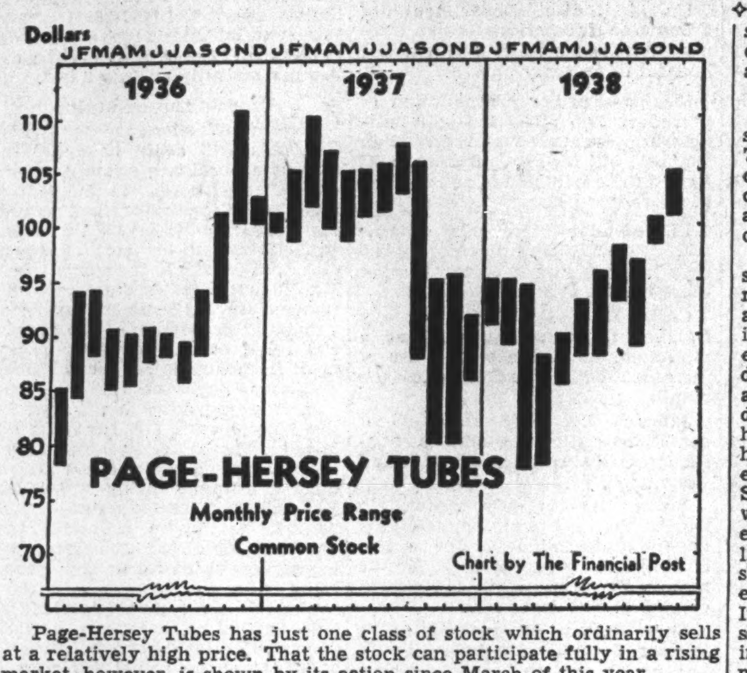
The present officers are as follows: C. L. Dunbar, K.C., president; A. W. Holmested, K.C., vice-president; A. Macfadyen, general manager; W. P. Bayley, secretary-treasurer. For directors the company has: C. L. Dunbar, K.C., A. W. Holmested, K.C., A. Macfadyen, Sir Henry Pellatt, Gordon F. Perry, W. G. F. Grant, K.C., all of Toronto; Robert C. Poskanzer, Albany, N.Y.; H. J. Fuller, New York.

Allied With Construction

Outlook for Page-Hersey is necessarily tied up with the general industrial development of this country and to a lesser extent of the United States and its various export markets. What this is likely to be, officials decline to estimate. Added interest and evidence of willingness to look ahead is seen in the acquisition of the Fretz-Moon process. Building and construction, an important user of the company's products, is still below what has been regarded as normal although improving last year. For the first 10 months of 1938, cumulative total of Canadian contracts has been down about 20% from last year but it is possible that for the full year the drop will not be more than 10 to 15%. Most authorities are looking for a more marked improvement when the active season for building and construction opens next spring.



When Page-Hersey Tubes installs the newly acquired Fretz-Moon process for making buttweld pipe it will need a furnace such as that illustrated which is already in use in the United States.



Page-Hersey Tubes has just one class of stock which ordinarily sells at a relatively high price. That the stock can participate fully in a rising market, however, is shown by its action since March of this year.

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This week it's Page Hersey Tubes. Read this valuable and informative study and others of the series which are to follow.

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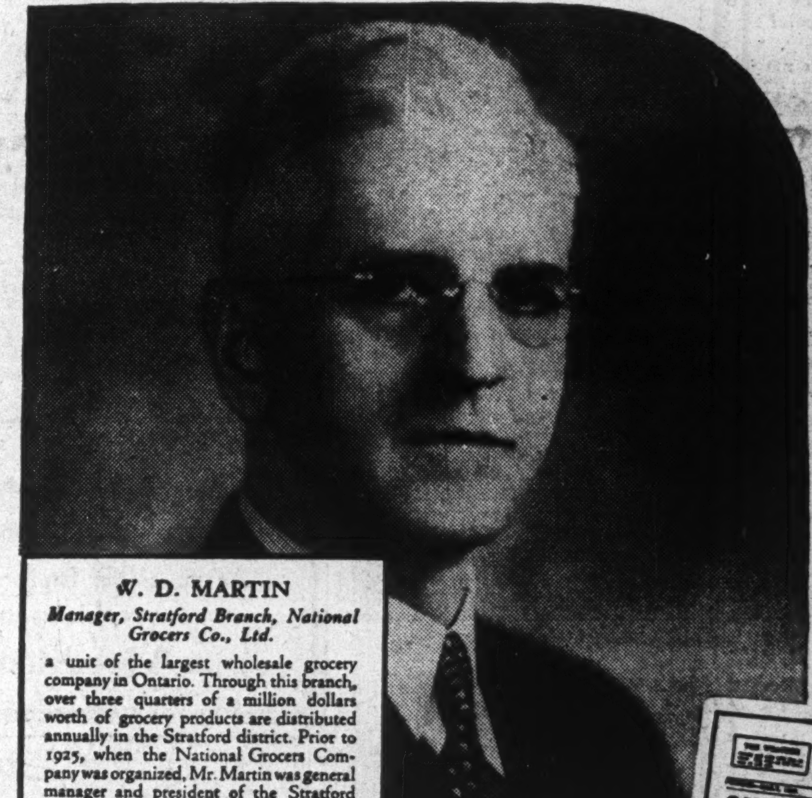
OTHER lands have taken civilizations — absorbed them, been altered by them . . . but civilization rests upon South Africa like modern jewels on a dark, native body . . . each emphasizing, but not changing, the other's beauty.

The Drakensberg, Kruger National Park, Kimberley, Victoria Falls, Zimbabwe . . . to all these and others you will travel easily, in modern comfort. Bright with sunshine, dark in ancient mystery, South Africa offers you her jewels, old and new. See them, this year. Discuss the arrangements with your travel bureau.

Thrills of the Primitive in Civilized Comfort



W. D. MARTIN
Manager, Stratford Branch, National Grocers Co., Ltd.
a unit of the largest wholesale grocery company in Ontario. Through this branch, over three quarters of a million dollars worth of grocery products are distributed annually in the Stratford district. Prior to 1925, when the National Grocers Company was organized, Mr. Martin was general manager and president of the Stratford Wholesale Grocers Co., Ltd., which became part of the National Grocers Co., Ltd.

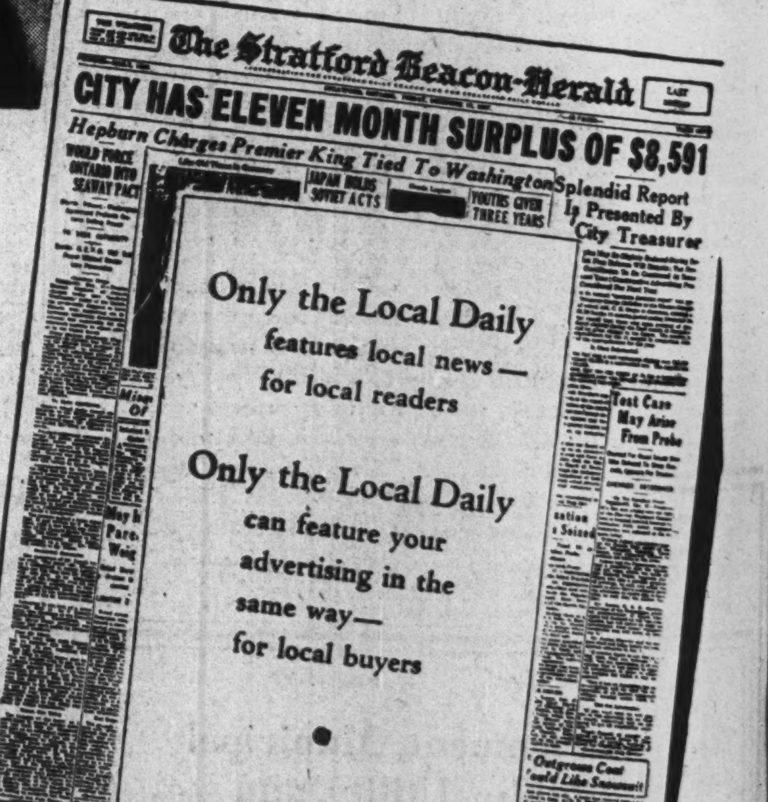
The purchase of your product starts when the prospect reads your message in the Local Daily

"Products advertised in the Local Daily are easier to sell" says MR. W. D. MARTIN

"A wholesaler is in a position to measure the effect of a manufacturer's efforts to move his goods. I find that when the Local Daily begins to carry advertising for a product, that product immediately moves faster from our warehouse. One manufacturer who cancelled the Local Daily two years ago and confined his advertising to other media, resumed substantial schedules in the Local Daily a few weeks ago. A definite increase in demand for this manufacturer's products has developed since this advertising reappeared."

"My 32 years experience in the wholesale grocery business has taught me that products advertised in the Local Daily are easier to sell."

W. D. Martin



The Stratford Beacon-Herald
CITY HAS ELEVEN MONTH SURPLUS OF $8,591
Hepburn Charges Premier King Tied To Washington
Splendid Report Is Presented By City Treasurer

Only the Local Daily features local news— for local readers

Only the Local Daily can feature your advertising in the same way— for local buyers

Mr. Martin's experience is similar to the scores of retailers advertising in the

ONTARIO PROVINCIAL DAILIES

Belleville Ontario Intelligencer
Brantford Expositor
Brockville Recorder and Times
Galt Reporter
Kingston Whig-Standard
Kitchener Record
Niagara Falls Review
Oshawa Times
Owen Sound Sun Times
Peterborough Examiner
St. Catharines Standard
St. Thomas Times-Journal
Sarnia Canadian Observer
Stratford Beacon-Herald
Timmins Press
Welland-Port Colborne Tribune
Woodstock Sentinel-Review

Banking

Bankers Assn. President Optimistic About Outlook

From Our Own Correspondent

MONTREAL.—An optimistic view of the business outlook in Canada was taken by S. G. Dobson, president of the Canadian Bankers Association, in his address before the annual meeting here.

Admitting the future is clouded by many uncertain factors, such as the European situation, conditions in the United States and to some extent by trade agreements now being negotiated, he states he could not "feel otherwise than encouraged by the outlook for Canada.

"Surprising Resistance"

In reviewing business conditions in Canada during the past 12 months, Mr. Dobson stated a notable feature of the Canadian economic situation "has been the surprising resistance shown to the depressive influence of the recession in the United States. Business in Canada has naturally reflected this influence and conditions during 1938 have not been so favorable as they were during 1937. Official reports, however, indicate that in general the level of industrial and commercial activity has been remarkably stable."

Mr. Dobson paid tribute to the importance of the mining industry in the Canadian economy.

He defended the policy of the Dominion Government in guaranteeing a minimum price to the western farmers.

As regards trade negotiations between Canada, United States and Great Britain, he expressed the hope that those concessions which Canada will be asked to make to ensure the success of a new U.S.-Canada trade treaty, as well as the Anglo-American trade treaty, will not detract seriously from the advantages now enjoyed under the Ottawa-Empire preferences.

Bank of Canada Weekly Statement

Total deposits by the Dominion Government with the central banks were down approximately $2.7 millions in the week ended Nov. 9, according to the statement of the Bank of Canada as of that date. Other changes on the liability side were of minor importance.

On the credit side, a decline of approximately $2.5 millions in holdings of Dominion and Provincial Government issues was the principal change shown.

Balance Sheet

	Nov. 9 1938 $	Nov. 2 1938 $
Liabilities		
Capital paid-up	5,000,000	5,000,000
Notes in circ.	176,313,372	177,046,354
Rest fund	1,348,414	1,348,415
Depos.: Dominion	25,072,271	27,806,725
Banks	221,748,735	221,474,416
Other	1,894,676	1,457,558
Total deposits	248,715,682	250,738,699
All other liabs.	3,854,080	5,108,121
Total liabs.	435,231,548	439,241,589
Assets		
Reserve: Gold	181,033,268	181,033,268
Res. in sterling and U. S.	35,784,024	36,629,229
Other curr.	632	632
Total reserve	216,817,924	217,663,129
Subsidiary coin	244,539	162,690
Advances	5,000,000	5,000,000
Investments:		
Dom. govt. short	164,305,266	165,451,316
Other Dom. govt.	43,390,471	44,813,731
Total invest.	207,695,737	210,265,047
Premises	1,707,327	1,707,272
All other assets	3,766,021	4,443,451
	435,231,548	439,241,589
Reserve ratio	51.01%	50.88%

Weekly Bank Clearings

	Nov. 10 1938 $	Change year ago %	Nov. 3 1938 $
Halifax	2,380,174	— 0.1	3,072,967
Saint John	1,690,016	+14.9	2,006,771
Moncton	775,543	+ 8.6	976,821
Sherbrooke	842,477	+25.0	678,850
Quebec	5,610,279	+16.8	6,437,699
Montreal	107,566,056	+22.5	138,995,392
Ottawa	27,157,895	+29.6	22,636,697
Peterborough	663,097	+17.6	671,880
Toronto	110,227,930	+21.3	161,014,231
Hamilton	4,534,843	+ 3.2	5,817,759
Kitchener	1,121,695	+40.0	1,298,028
Kingston	650,452	+25.8	683,184
Brantford	822,870	— 7.9	1,024,916
London	2,339,918	+ 7.1	2,768,177
Chatham	546,271	— 0.1	647,979
Windsor	2,588,699	+ 2.5	2,734,446
Sarnia	528,182	+ 2.3	480,445
Sudbury	1,045,995	+16.6	1,016,829
Fort William	848,738	+15.6	832,527
Winnipeg	47,255,850	+33.7	61,916,079
Brandon	344,921	—15.6	570,815
Regina	5,039,109	+78.4	6,631,405
Moose Jaw	692,344	+39.1	856,317
Saskatoon	1,440,237	+ 2.6	1,769,443
Prince Albert	381,145	+ 5.2	392,468
Edmonton	4,358,130	+12.4	4,531,962
Calgary	7,551,229	+34.4	10,060,899
Medicine Hat	306,825	+35.5	414,249
Lethbridge	997,546	+40.6	763,141
N. W'minster	595,588	— 8.1	561,967
Vancouver	16,044,160	+19.0	20,911,853
Victoria	1,798,620	+28.8	1,877,053

IN Canada

Where to STOP When you GO

Montreal QUEBEC — MOUNT ROYAL HOTEL
Niagara Falls ONTARIO — GENERAL BROCK HOTEL
Hamilton ONTARIO — ROYAL CONNAUGHT
Windsor ONTARIO — PRINCE EDWARD HOTEL

ALL UNDER THE DIRECTION OF VERNON G. CARDY

CUNARD WHITE STAR

Cruises

Study this comprehensive programme of delightful cruises to Southern Sunshine . . . fourteen cruises, varied as to duration and itinerary, and at moderate rates, in world-famous vessels . . . "Aquitania" . . . "Britannic" . . . "Franconia" . . . "Georgic" . . . "Carinthia" . . . all great, luxurious trans-Atlantic liners, offering the ideal means to a glorious winter vacation.

CRUISE PROGRAMME 1938-39
From New York

Date	Ship	Itinerary	No. of days	Rate
Dec. 24	AQUITANIA	LaGuaira, Port of Spain, Ft. de France, St. Thomas	10	$ 125.00
Jan. 5	FRANCONIA	World Cruise	146	1,900.00
Jan. 17	BRITANNIC	Nassau, Havana	8	87.50
Jan. 25	BRITANNIC	Nassau, Havana	8	87.50
Feb. 4	GEORGIC	St. Thomas, Martinique, Trinidad, Grenada, LaGuaira, Curacao, Cartagena, Cristobal, Kingston, Havana	19	217.50
Feb. 4	BRITANNIC	Nassau, Havana, Nassau	9	97.50
Feb. 11	CARINTHIA	The Great African Cruise	75	680.00
Feb. 15	BRITANNIC	Nassau, Havana, Nassau	9	97.50
Feb. 25	GEORGIC	St. Thomas, Martinique, Trinidad, Grenada, LaGuaira, Curacao, Cartagena, Cristobal, Kingston, Havana	19	217.50
Feb. 25	BRITANNIC	Nassau, Havana, Nassau	9	97.50
Mar. 8	BRITANNIC	Nassau, Havana, Nassau	9	97.50
Mar. 18	BRITANNIC	Nassau, Havana, Nassau	9	97.50
Mar. 29	BRITANNIC	Nassau, Havana, Nassau	9	97.50
Apr. 7	BRITANNIC	Nassau, Havana, Nassau	9	97.50

For Complete information, please see your local travel agent, or

CUNARD WHITE STAR LIMITED

Montreal Toronto
Winnipeg Quebec
Halifax Saint John
Vancouver Saskatoon
Calgary Edmonton

At the annual meeting of the Canadian Bankers Association in Montreal last week, S. G. Dobson, general manager of the Royal Bank of Canada, was re-elected president. F. H. Marsh, general manager of the Bank of Toronto, was elected vice-president to fill the vacancy created by the death of H. B. Henwood.

Barclays Bank Business Good

From Our Own Correspondent

MONTREAL. — Despite somewhat unfavorable conditions resulting from the business recession, there was a general and healthy expansion of domestic and foreign business, shareholders of Barclays Bank (Canada) were told at the annual meeting here.

In viewing the business situation in Canada, A. A. Magee, president, told shareholders "the economic outlook for the immediate future has brightened considerably." In this connection, he noted, "one of the most substantial improvements of the year was due to natural causes, the increase in the western grain crop contributing greatly to the enhanced prospects."

Barclays Bank (Canada) financial statement for the year ended September 30, is featured by a sharp rise in the total assets; a decline in loans, an increase in investments, and an increase in surplus account from $5,708 to $9,506.

At the end of its last fiscal year, the bank had assets totalling $24,124,256, as against $19,968,804 on the same date a year ago.

Demand deposits in Canada increased during the year from $1,854,488 to $3,561,331. Savings deposits increased from $4,373,761 to $7,951,880, while deposits elsewhere than in Canada advanced from $3,639,414 to $4,321,965.

During the year deposits with the Bank of Canada increased from $546,104 to $1,451,720.

Holdings of Dominion and Provincial Government securities maturing within less than two years increased from $3,395,349 to $4,610,189; while similar obligations of a longer term maturity rise from $4,816,404 to $5,800,655.

An interesting feature of the returns for the past year is the liquidation of $190,032 of public securities other than Canadian.

Call and short-term loans declined during the year from $857,800 to $694,287, while current loans were off from $1,710,217 to $951,605.

League of Nations Today

(Continued from page 1)

the work of the League of Nations. The League is suffering from the blackout of Manchuria, the blackout of Ethiopia, the blackout of Spain, the blackout of Austria—in short, the blackout of peace in the world.

It is suffering from other things, too, the unreality of its constitution, and the consequent futility of its resolutions. It is in the semi-comatose condition of a man who has bitten off more than he can chew and swallowed more than he can digest.

The League as It Is

There are four major phases of the League's work: sessions of the Council and the Assembly; meetings of committees; a permanent bureaucracy or secretariat, and back-stage or lobby conversations.

The public sessions are necessary for purposes of publicity but they accomplish little.

The meetings of committees come close to realities but spend much of their time detouring to avoid action.

The bureaucracy is ponderous and slow-moving but at the same time it is earnest, competent and of great service to the world.

The conversations behind the scenes and in the lobbies get down to facts.

Primarily the League is an assembly of nations. Each year the member nations send their delegates to the annual assembly. Usually held in September, the assembly is the big meeting of the year. There is a council consisting of representatives of the great powers and four appointed smaller nations. Canada has had a member on council once—during 1928-1930. The council comes together several times a year. Senator Raoul Dandurand once acted as president of the assembly, but Canada has not yet supplied a president of the council.

Like a Religious Ceremony

Someone has remarked "The annual assembly is more like a religious ceremony than a parliamentary debate; orators unconsciously adopt the tone of the preacher; the word 'peace' recurs in every phrase, as does in other places of worship the word 'good'; and it is pronounced in the same way."

The work of the assembly is usually done in committees. There is an opening plenary session, with "keynote" speeches. Then committees are appointed and they meet daily to get through a mass of work. At the last assembly Hon. Ernest Lapointe was appointed chairman of the important "third committee" which had as its chief item on its agenda the question of disarmament.

Every few days there is another "plenary" session of the whole assembly. They are called when some committee has reached the point of making a recommendation. They are also called when there are several important delegates with speeches they want to make to the world.

How much progress the League makes in settling any question is a difficult thing to discuss fairly and adequately. A person who sits in on committee meeting after committee meeting often wonders if any progress is being made at all. Occasionally, on an economic or social question, agreement is reached. On a basic issue, the discussions often get nowhere and proceed to that point at a maddening snail's pace.

During an assembly meeting the building is well guarded. This is for the protection of visiting statesmen. I was halted one day when I sought to wander around the grounds with a camera—but not until I had "shot" the pictures that accompany these articles. No one may enter the building without a proper pass. Delegates, experts and secretaries are given one kind of card. Accredited journalists get another card which takes them anywhere.

Check Credentials

The young lady in charge of credentials gave me a cold stare when I sought a press pass. She had reached the point where she would have been suspicious of the editor of The Times. Several score amateurs had provided themselves with letters from their home-town papers, accrediting them as special correspondents. There were, for example, seven Canadian newspapers represented, some of which I had never seen or heard of. Finally I broke down her resistance. Before the week was out my wife and I were in possession not only of my press credentials but of permanent passes to the diplomatic galleries and of invitations to all sorts of interesting social functions.

Casual visitors to Geneva can obtain, through their own delegations, "day" passes to individual meetings.

Canada maintains a permanent delegate at Geneva to sit in on continuing committees and keep Ottawa informed on League activities. He is Hume Wrong, formerly Chargé d'affaires at our Washington legation. He has an office in a lovely old building on the Quai Woodrow Wilson.

Each year Canada appoints additional delegates—always including a woman, a French-Canadian, a westerner and an easterner. This year's delegation consisted of Mr. Wrong, Rt. Hon. Ernest Lapointe (chairman), Mrs. Nellie McClung, J. T. Thorson, a Manitoba M.P., Paul Martin, an Ontario M.P., and Scott MacDonald of the Department of External Affairs.

Palace of White Splendor

The League itself is housed in a palace of white splendor. It was near enough to completion for the secretariat to move in during 1936, and for the assembly of 1937 to meet in the building.

Laborers of 10 different nationalities worked on the building. There are three main wings set in a natural park. One is occupied by the permanent secretariat, another is given over to the assembly hall and committee rooms and a third is an imposing library. The buildings cost about $8 millions. John D. Rockefeller paid for the library.

Sweeping in plan, beautiful in construction, the buildings are a shining white monument to the dreams of the League's founding fathers. The interiors are decorated with murals, panels and furniture donated by various member states.

The main assembly hall is an enormous room of high ceilings which looks like the trading floor of the Toronto Stock Exchange. It will seat 3,000 persons. They can listen to the debates in any one of three languages merely by putting on earphones and pressing the right button.

The permanent staff consists of some 1,800 experts, secretaries, etc. Routine employees are chiefly Swiss but the technical experts come from every corner of the globe. M. Joseph Avenol, the secretary-general, does his best to engage the most brilliant and promising men and women for his staff.

But some states feel that they should get a few good jobs for their nationals and an occasional lightweight or political favorite gets a position from which it is always difficult to remove him.

The permanent staff or secretariat works whether the assembly and council are in session or not. There are sections dealing with a wide range of subjects and their work is supplemented by many auxiliary organizations. I shall deal more thoroughly with these in a later article.

It costs about $8 millions a year to run the League. There is a special budget committee that fixes the contribution of each member state. I have not been able to fathom the method of assessment. Canada, with 11 million people, pays 780,000 gold francs a year, while Czechoslovakia, with 15 millions (pre-"crisis"), pays 550,000, and Egypt, with 16 million, pays 290,000 francs.

France's 42 million people pay 1,800,000 francs; Britain's 47 million pay 2,400,000 francs and Russia's 175 millions pay 2,100,000 francs.

In subsequent articles I shall discuss how the League works, its technical services and plans for reform of the Covenant.

Banking Service
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BANK of NEW SOUTH WALES
Head Office: Sydney, Australia
General Manager: SIR ALFRED DAVIDSON, K.B.E.

Assets of £123 millions.
Over 860 branches in Australia,
New Zealand & Pacific Islands.

London Offices at
29 Threadneedle St., E.C.2.
and at 47 Berkeley Square, W.1.

Agency arrangements with Banks throughout Canada.

1832 1938

Public Confidence

Public confidence is the most prized asset of this bank. It does not appear in our balance sheet—it is not for sale. It is a gift from the public—the result of over a century of sound banking practice.

World-wide facilities in every department of banking

The BANK of NOVA SCOTIA
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3819B

Saint John Calling!
It's the Admiral Beatty—the official AAA hotel. 250 fireproof rooms from $2. single, $3. double. Modern cafeteria. AAA garage.
The ADMIRAL BEATTY
SAINT JOHN, N.B.

Honestly? Only $15 for this Complete Thanksgiving WEEK-END

ROOM BATH MEALS } Thursday to Sunday $15 PER PERSON $18—$21

Yes, delicious Senator meals . . . hospitality . . . dancing . . . sea water baths . . . sun decks . . . vita glass solarium. Regular Friday-to-Sunday week-end . . . $10, $12, $14 per person. Do come!
Write for reservation F. Ernest Todd, Res. Mgr.

The SENATOR
ATLANTIC CITY

NINETIETH ANNUAL REPORT OF THE CONSUMERS' GAS COMPANY OF TORONTO

Year Ended 30th September, 1938

Your Directors present herewith the Ninetieth Annual Report of the operations of the Company together with the Financial Statements for the year ended September 30th, 1938.

The gross revenue for the year amounted to $7,271,547.45, while Operating Expenses which include taxes, insurance and provision for bad debts, aggregated $5,046,024.71.

The net income after provision for Plant and Buildings Renewal Fund amounted to $1,239,379.07.

Constant scrutiny of all controllable expenditures was exercised throughout the year in order to effect such reductions as were possible without lowering the quality of the service rendered.

The cost of gas coal was further increased during the year by the action of the United States Interstate Commerce Commission, which, on November 15th, 1937, authorized an increase in the rail freight rate on coal of ten cents per net ton. It is regrettable that from the standpoints of cost and suitability to the Company's operations, the only practicable source of supply of our gas coal is the United States.

The amount of direct Taxes applicable to the year's operations was $571,313.47, an increase over the preceding year of $35,193.19. In addition, Customs Duties, Excise Tax, Sales Tax, Fees and Licenses paid during the year amounted to $349,155.08.

The total of the last two preceding items, namely $920,468.55, is equal for the year just closed to:—

$ 5.94 for each customer served.
or $719.67 for each employee.
or 48½c. for each dollar of wages paid.
or $ 6.32 for each share of capital stock issued.

Wages and Salaries for the year totalled $1,894,999.93 and the average number of individuals engaged throughout the year was 1,279.

Because of the current popular interest in the problem of Employee Relations in industry, a brief statement of the Company's employment record appears to be timely.

The Company has throughout its 90 years of public service always paid fair wages and maintained reasonable working conditions, both being above what is generally considered standard industrial practice, and in 1937 granted to all wage roll employees one week's vacation without loss of pay.

Employment with the Company has not only had the very desirable feature of permanence over the years but in the main it is steady from week to week. Individual earnings are for the most part constant from week to week. These conditions are met with in only a few industrial concerns; in most trades and industries there are often intermittent periods of unemployment.

The long service records of the male employees of the Company give ample proof that they have been satisfied with conditions with respect to rates of pay, hours of work and continuity of employment. If better jobs could have been secured elsewhere the employees would have taken advantage of the fact and the following record of service would not have been possible of attainment:

Years of Service	No. of Employees
Up to 5	107
5 to 10	247
10 to 20	499
Over 20	286
	1,139

It will be noted that 785 employees or nearly 70 per cent. of the total have been with the Company for 10 years and upwards.

The following statement shows the ages of the male employees:—

Age in Years	No. of Employees
Under 40	400
40 to 60	587
Over 60	152
	1,139

The fact that there are 152 men now on the payrolls who are over 60 years of age is sufficient evidence that the Company does not discharge its employees merely because of advancing years.

Particular attention has been given to the man who after long years of service, had become incapacitated for further work either by reason of advanced age or sickness. It can be stated that no such employee has been allowed to leave his job without the Company voluntarily making provision for his support.

During the eight depression years, 1931 to 1938, a period which for the most part was marked by the prevalence of adverse industrial conditions and in which many thousands were unable to obtain employment, the Company paid out in wages and salaries a total of $15,419,966.05 and gave constant employment to some 1,296 individuals.

Through the steady employment provided by the operations of the Company an important contribution is made to the community life of the City in lessening the burden of unemployment relief, not only by the regular payment of wages directly to the Company's own employees, but also by the employment provided in those industrial establishments with which the Company places orders for the supply of the materials and equipment it requires.

Expenditures on Capital Account during the year consisted mainly of the cost of extensions of mains and services into many districts in and adjacent to Toronto where building activity was taking place.

The manufacturing plants, distribution system and other properties of the Company have been well maintained in good physical condition, there having been spent on repairs and renewals during the year the sum of $639,147.82.

No additional capital stock was required to be issued during the year. The par value of the share capital outstanding at the end of the year was $14,555,200.00, which was owned by 4,126 shareholders, the average holding of each shareholder being 35 shares.

Notwithstanding the reference made in last year's report to the rate of return which shareholders receive on their investment in the Company's shares, evidence came to light during the year that there still exists in the minds of some individuals a complete misunderstanding of the matter.

Since attention has recently been directed to the subject in such a manner as to leave the impression on the public mind that the shareholder receives a return of 10 per cent. on his investment, a word of explanation might seem to be in order.

At the time of its incorporation in the year 1848, no restriction was placed upon the Company in the conduct of its business with the exception that the power of paying dividends was limited to ten per cent. per annum upon the paid-up capital. This rate of dividend was considered at the time to be a fair one, having in mind the risk involved, because it was by no means certain that the venture would be a success, and further it was the same rate that was being allowed to similar undertakings in England.

When, in the year 1887, fifty-one years ago, the Company sought power to increase its Capital Stock, it was recognized that, in view of the success that had attended the Company's operations, it was not necessary that a dividend rate of ten per cent. should apply to the new stock to be authorized. It was then agreed between the City of Toronto and the Company that, instead of changing the dividend to a lower rate, the same result would be attained if the stock were sold by public auction to the highest bidder and the old rate of ten per cent. retained but payable on the par value only. Thus a purchaser bidding, say, $200.00 for one share of Capital Stock of the par value of $100.00, would receive an annual dividend of $10.00, or a return on his investment of five per cent. The last sale of this Company's Capital Stock was made in February, 1937, by public tender, and the average price realized was $201.15, for each share of $100 par value. The average return to the purchaser was therefore 4.97 per cent. and this rate of return is the maximum that the Company will pay for the capital so raised and all that the purchasers can receive on their investments.

The statement so frequently made, that the shareholder receives a return of ten per cent. on his investment is, therefore, entirely erroneous.

The Directors have to record with deep regret the death on April 20th, 1938, of their esteemed colleague Mr. Thomas H. Wood, who during the fifteen years he was a member of the Board, rendered valuable services to the Company.

Mr. A. H. Campbell, a Director of the Company from May 15th, 1905, member of the Executive Committee from October 26th, 1906, and Vice-President from November 5th, 1934, to February 7th, 1938, found it necessary on September 15th last, owing to failing health, to tender his resignation as a Director. Mr. Campbell had at all times given freely of his talents in the direction of the Company's affairs and the Directors regret very much his retirement.

On February 7th, 1938, Colonel J. F. Michie was elected Vice-President of the Company upon Mr. A. H. Campbell's resignation from that office.

The vacancies on the Directorate were filled by the election to the Board of Brig.-General C. H. Mitchell and Colonel A. L. Bishop.

All of which is respectfully submitted.

T. BRADSHAW,
President.

STATEMENT OF INCOME
For Year Ended September 30th, 1938

Gross Operating Revenue:		
Gas Sales	$5,562,835.69	
Residuals Produced	1,485,036.81	
Merchandise Sold	216,446.08	
Miscellaneous Revenue	7,228.87	
		$7,271,547.45
Production, Distribution and Administration Expenses and Taxes		5,046,024.71
Net Operating Income		$2,225,522.74
Interest Earnings Net		94,498.77
Total Net Income before provision for Plant and Buildings Renewal Fund		$2,320,021.51
Dividends on Capital Stock		1,455,520.00
		$864,501.51
Transferred from Reserve Fund		216,140.93
		$1,080,642.44
Transferred to Plant and Buildings Renewal Fund		$1,080,642.44

BALANCE SHEET OF THE CONSUMERS' GAS COMPANY OF TORONTO
September 30th, 1938

LIABILITIES

Capital Stock		$14,555,200.00
Reserve Fund		5,791,075.47
Plant and Buildings Renewal Fund:		
Amount at Credit October 1, 1937	$5,418,238.23	
Less Repairs and Renewals	639,147.82	
	$4,779,090.41	
Appropriation Authorized by Statute	1,080,642.44	
		5,859,732.85
Reserved for Dividend No. 354		363,880.00
Provision for Dominion and Ontario Government Taxation		157,820.92
Accounts Payable		348,757.53
		$27,076,466.77

ASSETS

Real Estate, Plant and Equipment	$22,480,182.90
Investment in Dominion of Canada, Province of Ontario and City of Toronto Debentures (At Cost)	1,984,829.60
Materials and Supplies	1,127,583.46
Cash in Bank and Offices	415,307.77
Accounts Receivable, after making provision for Doubtful Accounts	924,301.88
Interest Accrued, not due	34,824.18
Prepaid Taxes and Insurance	109,437.03
	$27,076,466.77

Approved on behalf of the Board of Directors.

(Signed) T. BRADSHAW, President.
(Signed) EDWARD J. TUCKER, General Manager.

We have audited the accounts of The Consumers' Gas Company of Toronto for the year ended 30th September, 1938, and in the conduct of the work have received all of the information and explanations we have required.

We report that, in our opinion, the above balance sheet fairly represents, in accordance with accepted principles of accounting appropriately applied, and consistently maintained, the financial position of the Company at 30th September, 1938, according to the best of our information, and as shown by the books of the Company.

(Signed) GUNN, ROBERTS & COMPANY,
Chartered Accountants.

Toronto, November 9th, 1938.

At the Annual Meeting of the Shareholders held November 14, 1938, the following gentlemen were elected Directors for the ensuing year: A. R. Auld, Esq.; Colonel A. L. Bishop; T. Bradshaw, Esq.; L. Goldman, Esq.; W. C. Laidlaw, Esq.; C. S. Macdonald, Esq.; Colonel J. F. Michie; Brig.-General C. H. Mitchell; F. G. Osler, Esq.

At a meeting of the Board held subsequently, Mr. Thomas Bradshaw and Colonel J. F. Michie were re-elected President and Vice-President respectively.

Nation's Nomads Drift and Stagnate

Thousands of Homeless Men Present an Urgent Problem

By GUY S. CUNLIFFE
Staff Writer, The Financial Post

Neglected and aggravated for the past nine years, one of the most troublesome phases of Canada's unemployment picture still faces but a slim prospect of adjustment.

This is the problem of the nomads of the nation.

Thousands of unanchored individuals make up the floating element of our worker population—and of the subsidized non-workers of our relief rolls. They are almost entirely men, and a large percentage of these men are constantly or periodically on the move.

Only prospect of some effort to grapple with the problem springs from recent hints from Ottawa. Definite consideration is at last being given, it is reported, to the National Employment Commission proposal that the Dominion assume full responsibility for all employable unemployed.

This would not necessarily be accompanied by long needed action to deal with the nomad question. But it might be linked with the parallel proposal to put the Employment Service of Canada on a national and efficient basis. This would at least force steps to regularize the present haphazard and inadequate relief of drifting destitution among these people.

Neglected Problem

The indifferent neglect of the problem is one of the darkest facets of the policy of inactive mismanagement that today is wasting our national income, our natural wealth and our idle reserve of manpower. The factors that make the nomad worker and single unemployed problems particularly acute, also make them stand out as a glaring example of the organized inertia with which the whole question of relief and employment has been handled.

The only attempts to face up to the situation have been made by executive officials of government relief or welfare bureaus, and by unofficial bodies operating in the social welfare field. Chief among the latter group have been the National Employment Commission (which after all functioned only in an advisory capacity) and the Canadian Welfare Council.

Neither of these bodies have been able to do more than seek to arouse public and official interest in the problem, to analyze its basic characteristics, and suggest methods by which it could be attacked.

Lack of System

Broadly speaking, single employables are largely past, present or potential nomads, and they suffer from:

1. Lack of system and adequacy in providing relief to those who need it. They are either consigned to deteriorate in physique, morale and initiative in urban hostels; or to almost constant, aimless drifting from place to place, dependent on temporary public or private charity in absence of jobs.

2. Complete absence of any coordinated machinery of a national scope, and very little on a provincial basis, to determine (much less to stimulate) employment needs in various sections, and allocate available workers to such points in an orderly way.

From either a social or an economic viewpoint, it can be urged that better treatment should be given Canada's transitory workers, actual and potential.

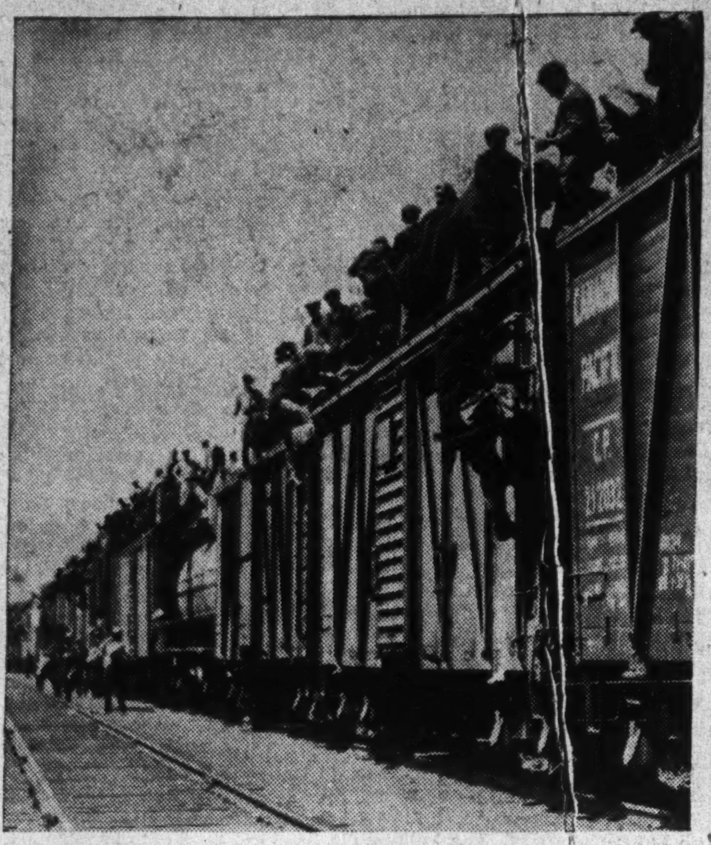
From a social aspect, it is distressing to see thousands of men, many of them under 20 and the bulk of them little over 35, offered two undesirable alternatives: Stagnating idleness at home or hostel, or fruitless vagabondage with little prospect of adequate food, shelter or employment.

Economic Aspect

From the economic aspect, mishandling of the problem represents dissipation of an essential asset to a country like Canada. This asset is an adequate and mobile supply of workers to perform the necessarily seasonal and limited-term labor in our basic industries—farming, lumbering, mining, fishing, construction; and, to a certain extent, manufacturing and rail and water transport.

Up to the late '20's and advent of depression, most of these men had little trouble finding employment for at least a portion of each year, sometimes for seven or eight months. They would shift from one part of the country to another in accordance with the seasons and the flow of activity in various industries.

They tided themselves over slack periods on what they saved while they were working; by subsistence homesteading on the free tracts once readily available in accessible areas; or by falling back on relatives, friends or private charity.



During the depression, single unemployed trekked in large numbers toward Ottawa to draw attention to their plight.

Less Demand For Labor

In recent years, desirable homesteads have become few, and the ebb and flow of seasonal activity has dwindled to a low volume in many industries. The glorification of relief as a vested right, and the slogan of no work except for regular wages, has sharply reduced the number of men who try to save enough to tide them over idle periods.

Progress in harvesting of grain crops by machinery has virtually eliminated the annual westward trek of harvest labor in the late summer and early fall. Railway construction, colonization of new areas, road building and similar activities, no longer absorb thousands of men for seasonal periods every year.

Affects Three Groups

The effect of this development has tended to create three different groups suffering from its impact:

1. Stagnating dependents, chiefly youths, in the homes of relatives or friends. In more normal times, or if there were orderly methods of finding them employment and looking after them in times of distress, many of these young men would be recruits in the circulating army of labor.

2. Destitute and homeless men, a large proportion of them unemployable because of age or being "burnt out." They have "hived in" at various urban centres long enough to "earn" residence qualification, and settle more or less permanently in municipal relief hostels.

3. The real nomads, almost constantly on the move from town to town, from province to province, some shuttling back and forth across the Canada-U.S. border.

Lack of Order

It is the third group which presents the most active problem. Many of them have homes to which they could go, or have lived long enough in one centre in the past to have at least a technical claim to residence qualification. But there is no order or uniformity in such system as there is for finding them jobs and providing transient relief. This makes it almost impossible for them to get aid in slack seasons, be returned to their place of residence; or be directed to regions where employment is assured.

Many of the nomads have been looked after, either permanently or between seasons, through the federal-provincial farm placement scheme that in effect boards them out to farmers in return for light labor. But this is not effective in the important Province of Ontario.

And in all the provinces, municipalities have stringent rules as to residence which prevent most of the wanderers from getting more than bed and breakfast from relief authorities. There is a lack of reciprocal arrangements, especially between provinces, to provide for "charge back" of longer care of transients or return to places where they have "earned" residence.

Estimate of Numbers

The total of those classed as transient homeless or suffering from "lost residence" has been estimated at 50,000 at present, and as high as 85-100,000 early last year. These figures may be a little high if applied to actual transients, but if potential transients are included they are possibly somewhat low.

In Toronto, for instance, registrations of single individuals seeking relief have totalled 48,000 since the depression set in. In the past eight or nine years, Toronto has probably handled a substantial proportion of the country's vagabonds, both workers and just plain bums. Yet little more than half of the 48,000 listed have been non-residents of Toronto. However, the aforementioned estimate of 50,000 transients does not necessarily imply that all are unemployed or relief applicants.

In the broad general group of transient and occasional workers, deterioration of physique, morale and initiative has set in most markedly among those who have become both idle and stationary, at home or in hostels. Among those who continue on the move, the majority are reported to be in fairly good condition of health and spirits. They have to be, for they are almost entirely general laborers who must be able to do the heaviest type of work—when they can find it.

Led On By Reds

The failure to evolve any stabilized system for either getting them work or relieving their destitution, has made the transients a fruitful field for Communist organizers and trouble makers. Unfortunately, the Red agitators and "front" organizations have been the only ones to attempt to give the nomads leadership or guidance. And periodically they have been able to convince groups of single unemployed that the only way to get any attention is to kick up a fuss.

It is questionable, however, whether many genuine Reds would be found in the transient group if adequate means were found to put them to work and look after them in slack periods. When a man has been in a hostel or "vagging it" for as long as seven or eight years, and cannot even get a job by applying regularly to government employment bureaus, he may be pardoned if he succumbs to apostles of aggressive action. The best cures for that are work, sound leadership and decent social care when necessary.

Canada's transients move by rule of thumb.

Distillers Buys Stock To Meet Sinking Fund

From Our Own Correspondent

MONTREAL. — Distillers Corp.-Seagrams purchased during October for retirement and cancellation on account of sinking fund, 400 shares of cumulative 5% preferred stock, according to a statement issued by H. F. Glass, secretary-treasurer. This reduces the outstanding number of preferred to 169,600 as at Oct. 31, 1938.

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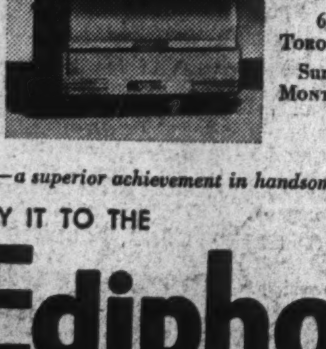

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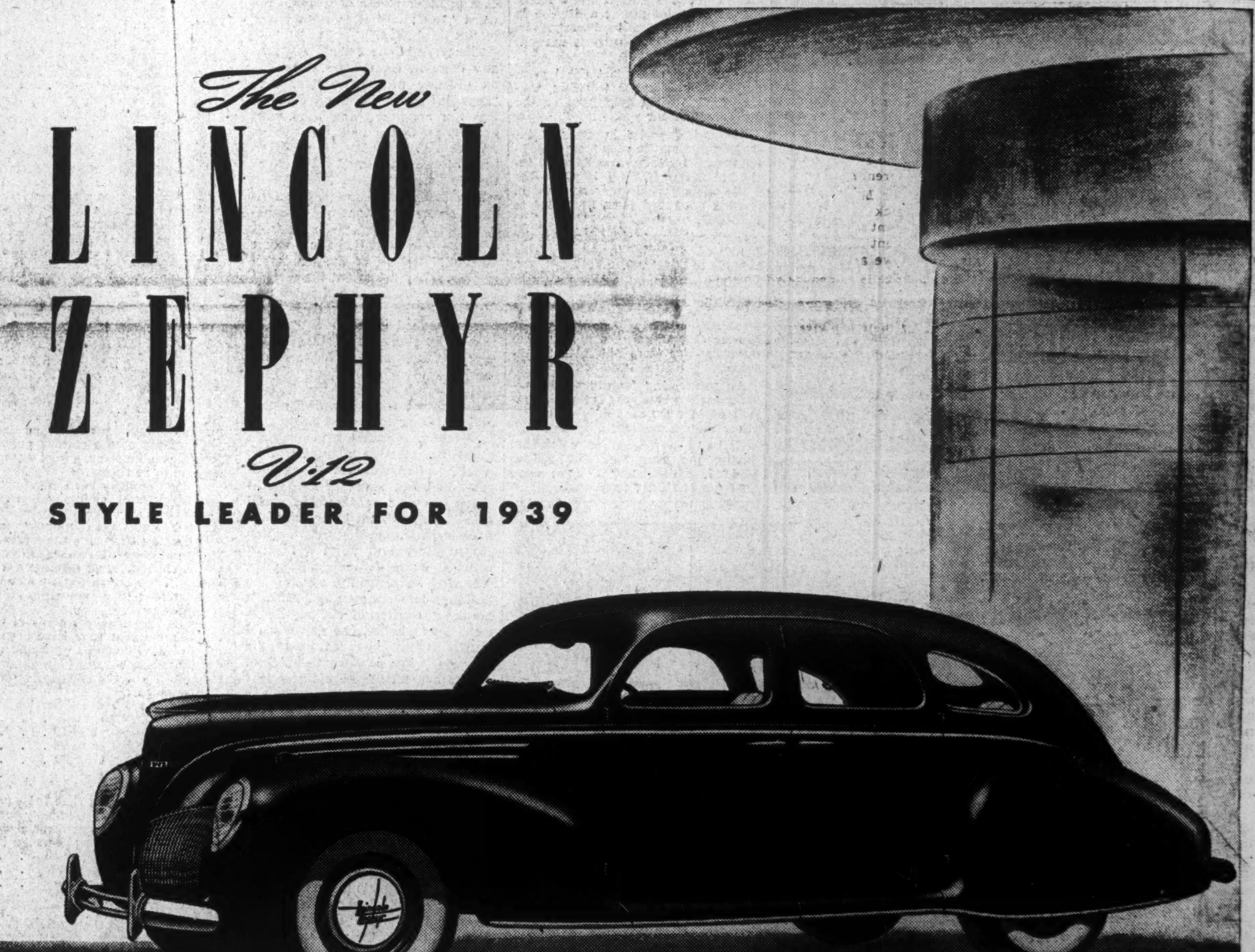


THIS "TWELVE" . . . THE ONLY CAR OF ITS KIND

Three years ago the Lincoln Motor Company announced a car new in idea, appearance and performance—the 12-cylinder Lincoln-Zephyr. The public had not seen an automobile like it before. . . . The Lincoln-Zephyr for 1939 is still a new car. It is improved and refined. But the fundamental design which ushered in a new era of styling remains!

This year's Lincoln-Zephyr is more beautiful than ever before. Radiator grilles, set low, now sweep back vertically. Louvers are concealed. The sloping rear deck, keynote of Lincoln-Zephyr design, seems handsomer than ever. Here is the truly modern car!

But style alone does not make a motor car. What underlies the Lincoln-Zephyr's streamlined beauty? Many other distinctive features establish this decisively as a car apart . . . the brilliant performance, the trussed construction, the economy of operation.

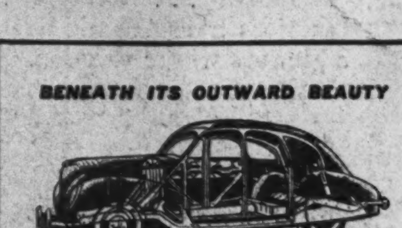
For beneath this outward beauty, in all closed types, is a framework of steel trusses—the famous "arch-bridge" construction. Body and frame are a rigid unit combining lightness and great strength.

A 12-cylinder engine in any medium-price car is unusual. The Lincoln-Zephyr V-type 12-cylinder engine has established its own standards of power, smoothness, flexibility. Its amazing record of 16 to 20 miles per gallon will still be causing comment when 1939 is over!

This year, the Lincoln-Zephyr has *hydraulic brakes.* They offer smooth, gentle stops under all conditions. . . . New this year, too, is the complete rubber-insulation of springs, axle assemblies and engine from the body-frame. Even greater quietness results in a car already quiet. . . . Interiors have been redesigned. Many new refinements are in evidence. Seats, again, have chair-height comfort.

Today more than 60,000 enthusiastic people own the Lincoln-Zephyr. The car for 1939 will continue to bring new joy—to give value beyond its medium price. Six body types, including two convertibles, Sedan and Coupe.

BENEATH ITS OUTWARD BEAUTY



A combination of features that makes it the only car of its kind.
1. Unit-body-and-frame—steel panels welded to steel trusses.
2. V-type 12-cylinder engine—smooth, quiet power.
3. 16 to 20 miles to the gallon.
4. High power-to-weight ratio—low center of gravity.
5. Comfort for six—passengers "amidships"—high visibility.
6. Hydraulic brakes.

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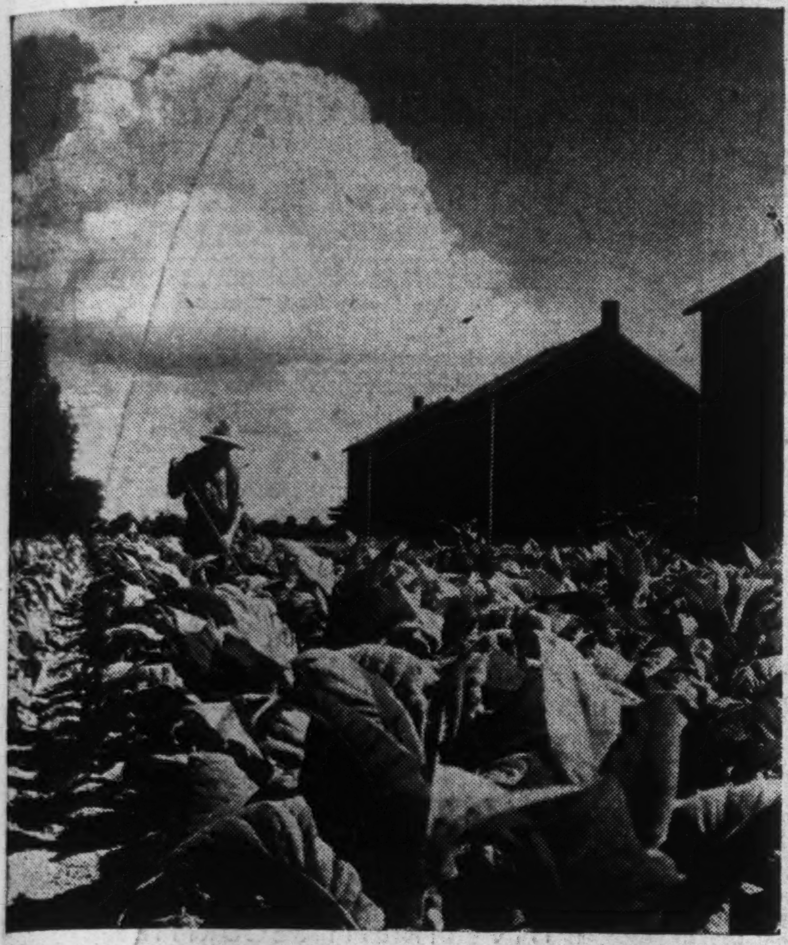


Canadian-grown flue-cured tobacco . . .

The West and Secession

Opinions Behind 3-vote Majority Favoring Cutting Dominion Tie

From Our Own Correspondent

REGINA.—Saskatchewan has voted to secede from Canada—by three votes in a straw poll.

The Regina-Leader Post conducted the vote and closed the polls after one week. The results were:

For secession	1,647
Against secession	1,644

But while secession was carried there were 398 readers who declined to vote until they had more information on which to reach a decision. Careful analysis of letters received shows that those against secession were actually in the majority.

Half The Leader-Post's 30,000 subscribers live in the country and the great majority of secession votes came from the rural districts. Only 12% of the paper's readers voted.

The poll followed the action of the United Farmers of Saskatchewan in calling for an investigation into the possibilities of secession.

A few years ago the United Farmers of Saskatchewan was a potent body. But the 60 delegates present when the probe of secession was authorized were only a faint echo of the 1,800 who attended a decade ago.

Answers to Ontario-Quebec

While the United Farmers are regarded as a spent force their call to examine the merits of secession was taken as the acceptance of the challenge of Premiers Hepburn and Duplessis and their Ontario-Quebec axis.

Excerpts from some of the letters received by The Leader-Post reveal something of this feeling. Each following paragraph represents an individual opinion:

"If it had not been for Mitch Hepburn and other political leaders the question would not have been raised."

"Instead of condemning Hepburn and Duplessis they should be given a hearty vote of thanks for bringing a long festering sore to a head."

"If the East didn't have West cows to milk there would be no milk."

"Secession from an economic standpoint is impossible. It would never happen anyway so why worry?"

"Let Churchill be a free port to western Canada for a while and see what happens."

"We already have a divided Canada as far as the interest of the East and West are concerned and I cannot see how an investigation is going to do any harm, in fact it should do good."

Milk Own Cow

"I think it is time for the western people to milk their own cow. The East has milked the western cow too long and too dry up to date."

"I am convinced that if the U.S.A. had this territory it would be settled more thickly and more prosperous."

"While the principle of democracy is not being lived up to by our governments but only used as a smoke screen by them, the West must sacrifice their rights to a decent standard of living in order that the financial barons of the east shall live in luxury."

"Every westerner who would vote for secession is worse than a relief taker who is in jail for false declarations to officials or those who are feeding him."

"The disruption secession would cause commercially, industrially, politically and nationally would spell chaos and stagnation for both the East and West for the next decade."

National Leadership

"We (a collective letter) are convinced by the isolationist tactics and anti-western attitude of Hepburn that the eastern nabobs are determined to shirk responsibility for rehabilitating the West. National unification alone can provide our Canadian youth with the works programmes, unemployment insurance and social benefits necessary to save a lost generation who would otherwise be turned against each other by those who wish to divide and rule."

"The subject must be seriously considered and if the West does not get a square deal in the very near future then I should be inclined to favor a move which would at least give western Canada a chance to run our affairs without outside interference."

"Even if our M.P.'s in the commons should all stick together on questions vitally important to the West they could not make a dent in the Ontario-Quebec axis because we are in the minority."

"The politically uneducated masses usually bark up the wrong tree seeking the cause of their troubles."

"Why not talk about joining Canada and the United States and make one good country."

"Our loyalty to this Dominion has expanded with its expansion and development. The idea of secession from every point of view is repellent."

"Let us, the people of Canada's bread basket, take this way of breaking the throttle hold of eastern capitalists on our means of livelihood. So far most of our products return to us with little change of form but so much added profit to their price that it is becoming more and more difficult for our producers to gain a living."

A student asks whether our politicians have suddenly gone mad when they raise the question of secession. Could they not remedy unemployment and lack of construction works?

"The type that favor secession will vote but many who are opposed will not bother, thinking the idea to be ridiculous to waste a three-cent stamp."

Communist Opposed

Even the left wing is not unanimous when it comes to tackling secession. Here is the ending to a letter sent to a number of publications in Saskatchewan by W. E. Wiggins, provincial chairman of the Communist party of Canada:

"For the people of Saskatchewan secession would not be to cut the Gordian knot but to make a serious slash in the nearest lifeline."

The last secession movement in 1931 started in the north and swept across quite a large section of the province and reached the point where in the Lloydminster district the Internationale was sung and a lone man with a Mountie standing beside him at attention sang the national anthem—afterward.

It was during the drive for secession, again supported by officials of the U.F.C., that a charter of Liberty came out of the Wilkie district and was sent to Prime Minister Ramsay MacDonald and Prime Minister R. B. Bennett. It urged a fixed price for wheat to cover production costs, abolition of grain exchanges and speculation in marketing of farm products, establishment of producer control of marketing, socialization of currency and natural resources, a system of crop insurance and a board of standards to set up a relationship between farm commodities and farm purchases. The dire result if no attention was paid to this by the Federal Government was organization for the political conquest of the province and the setting up of a co-operative commonwealth trading directly with Britain on a barter basis.

About this time came into being a farmer-labor movement with U.F.C. backing. It died in so quiet a manner that its passing was hardly noticed.

It should be noted there has been a growing tendency in all of the West to swing toward the right, little by little, in the matter of municipal and government elections, and the recent citizen's committee sweep of the entire municipal field in Edmonton is an example of what is slowly taking place. A secession movement is not a serious possibility.

Canada's Cigarette Money

From Clouds of Tobacco Smoke Come Millions For Government Tax Revenues, Leaf Growers

By JOHN LANGDON,
Eastern Editor, The Financial Post

Every time the cash register rings to record the sale of a 25-cent packet of cigarettes, the Government collects 11.42½ cents in excise duty and sales tax. As a matter of fact the Government already had collected its "pound of flesh" before the cigarettes left the manufacturers' plant.

The tobacco industry is the favorite child of the Government treasury. It's easy to collect the duty and tax. A mere handful of operators account for over 95% of the business and what is passed on to the Dominion treasury is practically all velvet.

Collect $3 Per Capita

Just what revenue does the cigarette provide for the Government? During the course of the 12 months ended March 31 last (the Government's fiscal year) 6,848,693,000 made-in-Canada cigarettes were used by Canadians. For the privilege of smoking these cigarettes, they paid the Government $31,298,527 in sales and excise taxes. Painlessly and quietly this sum was contributed to the national treasury by John Q. Consumer; an amount almost equal to $3 for every man, woman and child in the Dominion.

is aged for three years in wood . . .

Naturally this is not all. For there is the Government excise and sales tax on smoking tobacco, cut tobacco, cigars, snuff and chewing tobacco. The amount for 1937 has not yet been made public, but look at the record for 1936:

In 1936 the value of all tobacco manufactured in Canada was $73,259,732. The net value was $40,287,357. The difference, $32,972,375 was collected by the Government in excise duties. Added to this is the sales tax which would bring in another $3 or $4 millions.

On the basis of increased consumption last year, it is safe to assume that the Dominion Government collected nearly $40,000,000 in excise duties and sales tax on tobacco products and will collect an equal amount this year.

Outdo Lake Shore Mines

It would take Lake Shore Mines, one of the richest gold properties in the world, nearly 2½ years to produce an equivalent amount in gold.

If all the other direct and indirect taxes were taken into consideration, it would be safe to say that it would take all the gold produced by Lake Shore over three years to equal the amount paid in excise duties and sales taxes on tobacco products in the course of a year.

For the tremendous windfall that drops into the Government's lap from the tobacco excise and sales tax cornucopia, does not mean that the tobacco industry is relieved of the multiplicity of other taxes that bear down on industry in general. Tobacco companies must also pay income taxes, corporation taxes, sales taxes on paper and supplies, real estate taxes, license fees, and a horde of others. In Montreal, purchasers of 25-cent packages of cigarettes get only 24 cigarettes, to allow for the City of Montreal's one-cent sales tax.

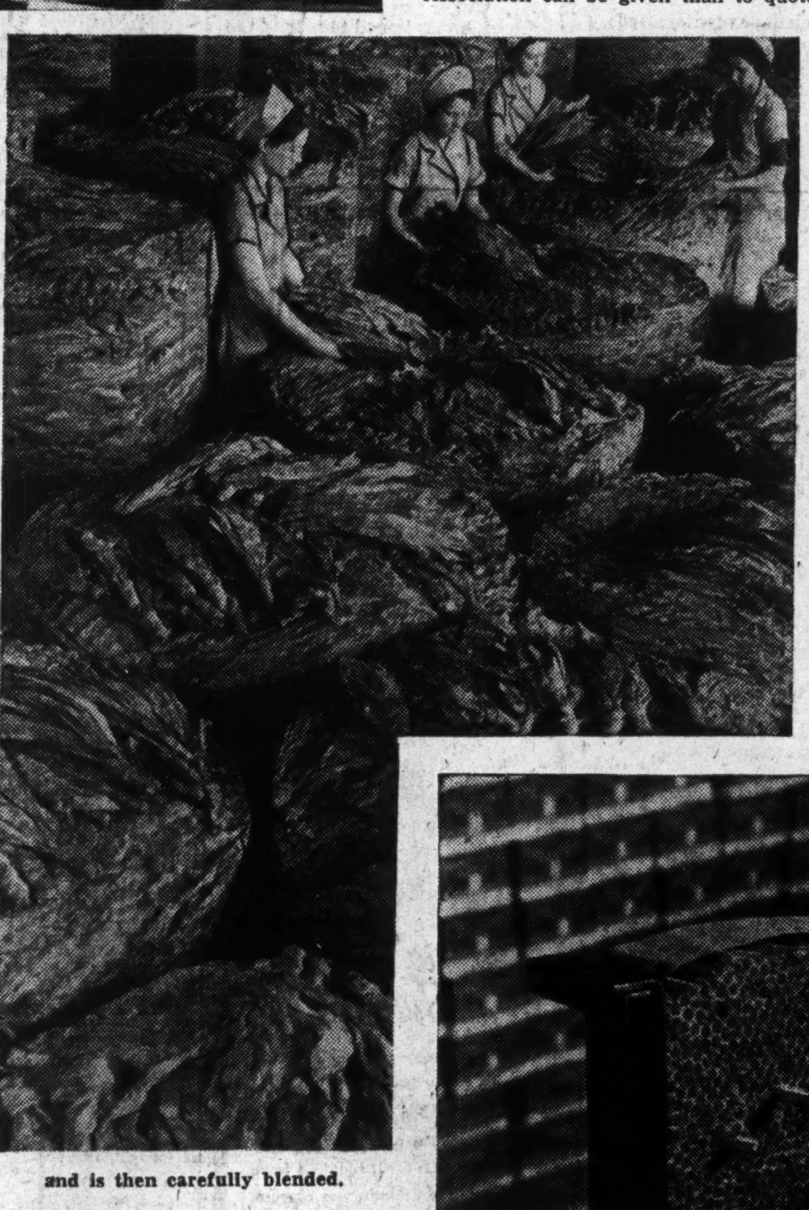
The Government also collects some revenue on imports of tobacco products, but apart from the duty on imported leaf, this source of income is negligible. For instance, in the year ended March 31 last, total imports of cigarettes amounted to less than $37,000, and value of cigar imports was about the same.

Needless to say Canada's No. 1 tax producing "gold mine" is of special interest to the Government.

Back of this industry is a skilled, efficient and highly organized system. It functions with the utmost smoothness from the time the tobacco grower sets out the seed in his hot-house until the consumer tears off the Cellophane wrapper from a packet of cigarettes.

Now Buying 1938 Crop

Right now English and Canadian buyers are going through the flue-cured tobacco-growing districts of Ontario and Quebec buying this year's crop; the largest ever grown in Canada. Officially the Government estimates the crop at 65 million lb., but unofficial and equally shrewd appraisers set the total above that figure. Last year the yield was in the neighborhood of 55 million lb. Ten years ago it was 8.7 million lb.



and is then carefully blended.

Tobacco is one of the oldest crops grown in this country. The Indians started it and the French carried on. But it never assumed any great proportions, curiously enough, until after the war.

Then someone started the story "there's money to be made in growing tobacco." The rush was on. In 1929, 15,085 acres were planted to tobacco; in 1930, 17,379 acres. The next year acreage jumped to 27,595 acres. There was a temporary setback in 1934 when only 24,541 acres were planted, but in 1938 the acreage had advanced to the all-time peak of nearly 60,000 acres.

Such growth was not accomplished without growing pains. A few years back the farmers were complaining bitterly about the price paid for their product. There was a lack of organization and the outlook was far from being reassuring. The problem was brought to a head by the revelations before the Price Spreads Commission.

Form Marketing Association

Then the buyers and growers got together and formed the Flue Cured Tobacco Marketing Association of Ontario. This is one of the most unusual organizations on the continent and perhaps because it is unusual, it has worked with success.

The Marketing Association consists of grower members and buyer members. There are at present 2,534 growers in the Association. It is managed by a board of 16 directors, 10 of whom are nominated by the growers and 6 by the buyer members.

Prior to the planting season the Association estimates the possible requirements and determines the number of acres of flue cured tobacco to be planted during the season and the number of acres to be allotted to each grower member. The Association gathers data as to stocks on hand in warehouses, in bond in England, etc., before seeking to set the acreage.

At the end of the season when the crop has been harvested and cured, each grower's crop and the entire crop is graded by experts selected from among the growers.

After the crop has been graded, a committee of six, three representing growers and three buyers, meet and determine the average price per pound for the entire crop.

This year the price was set at 22½ cents a pound. This is roughly the same as the average price from 1927 to 1933 but is lower than in recent years due to the largeness of the crop.

If the amount paid by the buyer member for his total purchases is less than the aggregate appraised value, the buyer member pays the deficiency to the association. The association distributes this to the growers in proportion to the value of the tobacco sold by each grower member to this particular buyer.

Some time will necessarily elapse before the 1938 returns are complete. In 1937, 49,316 acres yielded 54,655,016 lb. of tobacco which were sold to the buyers at an average of 27.34 cents a pound. The return per acre was $303.

Probably no better evidence of the stabilizing influence of the Marketing Association can be given than to quote the dollars returns per acre. For the period 1927-37 the grower's return per acre averaged $222. In the years 1934 to 1937 the average was $254 an acre.

A total of $15 millions is distributed annually in a tobacco growing area less than 100 miles square. Fruit crops for all Ontario do not yield much more than $3 millions.

With the growing and purchase of the crop by the buyers' the first stage is passed. The domestic market takes from 35 million to 40 million lb., while another 15 million to 20 million lb. is exported to England.

Store Three Crops

The smoking public will not see this tobacco for another three years. In the interval it is stored in special warehouses and, like whiskey, aged in the wood.

The manufacturers store not one but three crops; in other words, the tobacco used by the consumer today is a blend of many different varieties and of three different crops.

At the end of last September there were 63,020,298 lb. of unmanufactured stocks of tobacco stored in Canada. In the next 6 months the amount in storage will be considerably above that figure, because of the new crop, and will total between 80 million and 90 million lb.

This enormous quantity of maturing tobacco represents an investment by the manufacturers of several millions of dollars; at a minimum over $25 millions which draws down no interest.

When the tobacco comes out of storage, it is used in a variety of ways. Some will be used as fillers for cigars; some for snuff; still more for chewing and smoking tobacco; but by far the larger proportion for cigarettes.

This is the story of the cigarette, what it costs to make and distribute and the differences of views on the existing system.

The trend of consumption is shown in the following figures:

Cigarettes Manufactured in Canada by Government Fiscal Years Ended March 31, 1929 to 1938

1929	4,607,500,425
1930	5,035,878,855
1931	5,082,314,590
1932	4,401,628,765
1933	3,728,832,089
1934	4,342,728,835
1935	4,958,250,855
1936	5,310,132,016
1937	5,855,936,809
1938	6,848,693,000

Processing Cigarettes

Once aged, the tobacco is moved in 1,000 pound hogsheads to the plants for processing. Before the casks are opened they are steamed under pressure to soften the leaf so it can be handled without breakage. Then the hogshead is removed; the "aged" tobacco is blended to suit the particular formula for any required type of tobacco product. The blend is further steamed and then passed through a special machine which removes the leaf from the stem.

The next stage in the manufacture of cigarettes is the cutting of the tobacco. High-speed, revolving knives cut the tobacco to required size. The tobacco drops to a conveyor belt and is carried to the cigarette machines which automatically turn out 65,000 cigarettes an hour, plain or cork-tipped.

The cigarettes are then carefully examined for loose filling or other flaws and are ready for packing. From the time the tobacco leaves the stemming machine until it is used by the consumer, it is handled by automatic machinery.

The next step is to pack the cigarettes. An almost human machine does this work, any package improperly packed being automatically discarded.

Weight Is Important

At this point an important function is to weigh the cigarettes. The Government places an excise duty of $4 a thousand cigarettes weighing three pounds or under. If the weight of the cigarettes goes above three pounds, a much higher duty is placed on them.

The Cellophane wrapping is one of the last stages of packing and before this is done the excise stamp is affixed.

One of the interesting sidelights of the cigarette business has to do with these excise stamps. The manufacturer has to pay for them before they are put on the packet. But he does not get paid for them until the distributor pays him.

It is estimated that some $3 millions of the manufacturers' capital is tied up in this way. In other words the Dominion Government always has the use, without interest, of this money. The companies don't complain, for that is a recognized part of their business, a condition of which the public is not aware.

With the amount tied up in excise taxes and the money invested in unmanufactured warehouse stocks of tobacco, the industry has locked up around $28,000,000 on which it draws no interest.

Imperial Tobacco Dominates

Both in the manufacture and distribution of cigarettes one organization—Imperial Tobacco Co. of Canada—predominates. It controls about 70% of the trade. Further, it sets or influences the policies of all the trade.

This company played a prominent part in organizing the marketing association in Ontario and it plays an equally important part in the cigarette business through its resale price maintenance policy.

Through control of the cigarette trade in the country, Imperial is able to set or influence the policies of other cigarette manufacturers to conform to its own.

The resale price maintenance policy has been under attack. The Combines Investigation Act Commissioner, acting on the complaint of an Alberta tobacco dealer, recently investigated the alleged combine in the distribution of tobacco products in Alberta and elsewhere in Canada.

The commissioner found that since 1934 Imperial Tobacco's resale price maintenance policy has developed into an alleged combine, dominated by the company, which eliminates competition and forces maintenance of retail and wholesale prices on Imperial and other companies' products. In his opinion the suppression of competition is distinctly against the public interest. A copy of his report was passed along to the Attorney-General of Alberta for what-

(Continued on page 13)

—Photos, Imperial Tobacco.

The finished cigarette has to pass eight inspections.

Your Investments

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Industrial Alcohol

Please send me the facts about Canadian Industrial Alcohol.

Canadian Industrial Alcohol is now controlled by Hiram Walker-Gooderham & Worts. In recent years the company has experienced considerable financial difficulties and the policy of the management has been one of liquidation with a view to eventual distribution of the assets to shareholders. The company has or had important alcohol stocks and owns a number of valuable trade names. The American stocks have been sold and the company's operations are largely confined to the domestic trade, which, as you will readily appreciate, is of limited proportions.

Three developments have taken place recently of interest to the shareholders. Hiram Walker made an offer to exchange stock, but this was turned down by the class B shareholders. In September the company made an offer to purchase at 90 the outstanding 5% debentures. Then, again, a dividend of 10 cents a share has been declared on both class A and B shares, payable Nov. 30.

As regards earnings the company reports net operating profit in the nine months ended June 30, 1938, of $208,800. This contrasts with the outstanding 1,011,916 shares of class A and B stock. For all of 1937 the company earned 49 cents a share on its capital stock. The market value of the company's stock is moderate in comparison with the liquidating value, but neither the class A nor B shares are particularly attractive from an investment point of view.

Coast Breweries

What do you think of Coast Breweries for purchase at the present price? What companies does it control?

At current prices around $1.25 a share and allowing for the regular dividend of 12 cents a share, the stock of Coast Breweries Ltd. yields about 9.6%. On the basis of yield, therefore, the stock is attractive. This high yield may indicate to a certain extent that more than the average amount of risk is present in an investment in this stock and it is probably also true that shares are not very actively traded. On the other hand, they belong in the low-priced group which is attracting increasing attention at the moment.

Net profits in the year ended June 30, 1938, were equivalent to 14 cents a share on the present stock after the 10-for-1 split. This is only slightly up from the previous year's results which were equal to 13.7 cents a share on a comparable basis.

Coast Breweries has four wholly owned subsidiaries as follows: Westminster Brewery Ltd., Rainier Brewing Co. of Canada, Victoria Phoenix Brewing Co. (1920) Ltd., and Silver Spring Brewery Co. It also has interests in other companies which it does not control, including Pacific Brewers Agents Ltd., General Brewing Corp. in which Coast Breweries held 10,760 shares of 6% cumulative preferred stock and has advances of $50,000, Capital Estates Inc., to which Coast Breweries have advanced $123,012 as at the end of June, and Star Brewery Co. The two latter companies operate in United States. It is interesting to note that Coast Breweries has a record of paying dividends at some rate on its stock each year since 1929.

Can. Investment Fund

I have recently been advised to make an investment in Canadian Investment Fund. Will you please inform me if you consider this security to be ably managed and a reasonably sound investment?

Canadian Investment Fund is an investment trust organization directed by a board of responsible Canadians and managed by Calvin Bullock. The record of this organization since its formation has been a favorable one. Its capital assets have steadily increased, through appreciation in the value of its holdings and the issuance of additional stock. Dividends have been paid regularly for some time, varying with the extent of income. The company has confined its investments to a better type of Canadian and American securities. The value of its holdings and in turn the value of its stock, naturally fluctuate with stock market conditions, but on the whole, its record has been a good one to date.

Int. Hydro Electric

Some months ago I bought 50 shares of International Hydro Electric preferred, thinking they might pay arrears or resume dividends. I want to ask you if you think there is any likelihood of their paying on this preferred stock.

We do not see any immediate prospect of International Hydro Electric System paying a dividend on its preferred stock. The company's earnings have been greatly restricted and for a time there was a question of the ability of the company to maintain interest on its debentures. However, the payment of the common dividend by Gatineau Power has materially improved the position of International Hydro Electric System and more or less assures its ability to continue interest payments. The surplus, after interest, is not sufficient to take care of the preferred dividend and until such time as the company receives a larger revenue from Gatineau Power Co. or New England Power Association, the preferred will continue in arrears.

Inter. Metal

I am holding common shares of International Metal Industries, which I purchased at $18. What do you consider the prospects for this company?

It will probably be some time before the common stock of International Metal Industries Ltd. will again reach $18 a share. Ahead of this common are two classes of 6% preference stocks on which arrears amount to $32.25 a share although regular payments have been made for the past year. It was expected some time ago that the company would advance a plan for settling these arrears, but this has been deferred due to business conditions.

As the company obtains the greater proportion of its business volume from the United States, it has undoubtedly suffered from the business recession which hit that country for the most part of this year. At the moment, however, the conditions look more favorable and business volume is generally improving.

The company makes a line of equipment for the gasoline and oil company trade, electric refrigerators, septic tanks and milk cans.

It is not expected that earnings for 1938 will reach the level of last year when $1.77 a share was earned on the class A common and 66 cents a share on the class B. Indications for the first half of the year were that business volume would be about on the same level as in 1936 when 43 cents a share was earned on the class A.

McColl-Frontenac

I hold several hundred shares of McColl-Frontenac common which I bought at $12 a share. As a result of the company's action in passing its dividend I am somewhat worried about this investment. Would you advise me to sell now?

Sale of your McColl-Frontenac common shares at present would mean a substantial loss. For this reason it may be advisable to await clarification of the company's position.

Decision to pass common dividends came as a surprise to the market. In the year ended Jan. 31, 1938, dividends were covered by a good margin, net profit being equivalent to $1.03 a share on the common. It is understood sales in the current year have been well maintained.

The company gives the recent reduction in gasoline prices and uncertain conditions in the oil industry as reasons for passing the dividend. Since the price of crude oil has declined, the reduction in gas prices would not appear to be important. Opinion in investment circles is that the company's statement does not tell the whole story. It is suggested the company's operations in Trinidad are a factor. Operations there have not been as successful as had been hoped and the company has a large amount invested in these properties.

Dominion Coal

I am told earnings of Dominion Coal Co. have declined 20% in the current year. Will it be able to continue paying its preferred dividend?

Production and earnings of Dominion Coal Co. have been somewhat lower in the current year, but it is not expected the company will have any difficulty in earning its preferred dividend. Even if there is a reduction of 20% in profits, the preferred dividend will still be covered. In 1937 the company earned a net profit of $500,298 as against preferred dividend requirements of $360,000.

A favorable development for the company is the recent action of the Dominion Government in increasing subventions on Nova Scotia coal movements to the Ontario market. This will enable the company to compete on a more even footing with U. S. producers. Furthermore, it should make it possible for the company to push sales farther west than Toronto.

Montreal Tramways

As a holder of Montreal Tramways common I would appreciate your opinion of the outlook for this company. Is there a possibility of the company passing its dividend?

Outlook for the common stock of Montreal Tramways is uncertain. There has been political agitation against the company for some years, and the Quebec Government has promised to appoint a commission to investigate the company's contract with the city of Montreal. Should the contract be drastically revised as a result of this investigation, it is possible the company would have to stop paying common dividends. Much, of course, will depend on the extent to which the contract is revised.

Another serious problem facing the company is the refunding of its 5% first mortgage bonds which fall due in 1941. Under the provisions of the trust deed, bonds issued to refund the first mortgage bonds at maturity will not rank senior to the present general and refunding mortgage bonds.

United Fuel Investments

I hold preferred shares of United Fuel Investments and would like to know where I stand if reorganization of the company is approved.

The proposed reorganization of United Fuel Investments Ltd., which will be put to a vote of shareholders on Dec. 16 will create a new $1 million issue of 5% second mortgage bonds, which along with half of the 99% of the common stock of United Fuel Investments is the consideration received by Dominion Natural Gas for distribution lines independently appraised at $1.7 million. Of this amount $424,180 represents duplication of present United Gas equipment.

It is suggested that simplification of the capital structure of United Fuel Investments and operating subsidiaries was not included in the plan because of certain features of the subsidiary companies' franchises which necessitated maintenance of the present arrangements.

The elimination of competition should strengthen the position of United Gas and forestall the possibilities of a much more serious situation that would have occurred in 1941 when the company's exclusive right to distribute in the main portion of the city will lapse.

Annual service charges on the funded debt of United Gas & Fuel, operating subsidiary of United Fuel Investments, with the new set-up will be $133,325, up $50,000 from present amount.

In the consolidated balance sheet of United Fuel, giving effect to the proposals, the following bonds are shown: 6½% general mortgage bonds of United Fuel, $450,000; 5% first mortgage bonds of Hamilton By-Products, $2.3 millions, and 6% general mortgage bonds, $690,500; 5½% first mortgage bonds of United Gas, $1.5 million, and 5% second mortgage bonds, $1 million.

Revenue Covers Interest

It is estimated that as a result of the acquisition of 11,500 new customers, formerly serviced by Dominion Natural Gas, additional revenue obtained will be sufficient to pay operating expenses of the new properties and service the new second mortgage bonds. This would make up the additional $50,000 in annual interest charges.

This would appear to leave United Gas in the same position as before amalgamation except that competition will be eliminated.

Cumulative preferred dividends are reduced to $270,000 from $540,000 annually thereby making participation of the class B and common stock more probable.

United Fuel preferred shareholders would receive for every $100 par value of present 6% preferred and $37.50 arrears, $50 par value 6% preferred, $25 par value of class B and 9/10 of a share of new common. Class B and common, of which there would be 90,000 of each class outstanding, would participate equally in dividends disbursed after senior requirements have been met.

Preferred shareholders thus have cumulative dividends halved on their investments and arrears wiped out, in return for a possible participation in future earnings. The plan, however, seems to be the best that could be worked out, for continuance of affairs as at present is gradually lessening shareholders' equity.

Aberhart Victory Gives Fresh Impetus to Unity

From Our Own Correspondent

EDMONTON.—Fresh impetus to the drive for united action against Social Credit, with however a drastic revision of procedure, is expected to follow the Athabasca by-election in which the Aberhart Government retained a rural seat won in 1935 with only a comparatively slight decline in majority.

C. H. Tade, Social Credit, defeated C. J. R. Whiteley, Liberal, by a margin of nearly 300 votes in the by-election, compared with a majority of 500 in 1935 over two opponents. Mr. Tade, who ran again in the seat he vacated for the late C. C. Ross, minister of lands and mines, had 58% of the vote in 1935, and 54% this time.

A significant factor appeared to be the Conservative vote, which accounted for 10% of the total in 1935. According to information from the riding, the Conservative vote went at least half to the Social Crediter, on the principle that it was better to "beat the Liberal" than to defeat Aberhart. The same sentiment was an important factor in returning a Social Crediter in the federal East Edmonton by-election last year. There is little C.C.F. or U.F.A. strength in Athabasca, but the U.F.A. reportedly favored Mr. Whiteley, who is a leading farmer with loose affiliation to the Liberal party which sponsored him.

Aberhart Still a Power

Political observers based several conclusions on the Athabasca result. First, the Social Credit Government, despite its failure to pay dividends, is still strong in the rural districts. The Aberhart movement relies less on the emotional appeal of its leader now than in 1935, and enters a campaign of the Athabasca type with a strong party machine, well heeled with funds and built on patronage. Still the influence of Premier Aberhart remains its dominant driving power, a fact which may cause would-be insurgents to go slow in future.

Another conclusion was that the Liberal party——with a 40% increase in voting strength over 1935—is the strongest effective opposition party in the province.

Finally, there is the obvious conclusion that the leadership for unity in Alberta has failed to create the great popular movement without which it will never become an effective force in defeating Aberhartism. For this reason, influential political leaders are looking over the situation and have already begun to formulate a new course of action.

Whether the fact is palatable or not to non-Liberal elements, the starting point of a new drive for unity will have to be the Liberal party, as no other opposition group shows at the moment the slightest chance of giving Social Credit even a good run for its money. The leadership of E. L. Gray has rested upon the basic assumption that a united front must be organized, but that effective organization now in existence should not be scrapped in favor of untried organization starting from scratch. The Gray ideal of unity, for various reasons, has been opposed by influential elements in favor of the McFarland Unity Council. The Unity Council, as a political force, has been getting nowhere, and as a weapon for facing the Social Credit machine in a general election, its power has to be written down to a doubtful status.

Broader Unity

For that reason, a new and broader concept of unity must be evolved, it is recognized, and fortunately a new opening is offered in Joseph T. Shaw, K.C., fiery and capable radio lawyer of Calgary, a Liberal warhorse who once defeated the Rt. Hon. R. B. Bennett in West Calgary. Mr. Shaw's persistent radio campaign against Social Credit, from a Calgary station, has harvested good results in swinging southern Alberta away from the Aberhart banner. His voice, however, is heard little in the north.

Mr. Shaw's radio programme, it is reported, may become the focus for bringing various influential leaders together. As a start in clarifying the confusion that has surrounded the Unity campaign, it may open a new era in the politics of the province.

One of the first tasks is to prevail upon the Unity Council's Conservative adherents to refrain from sabotaging anti-Aberhart candidates, as in Athabasca and East Edmonton. Another is to iron out differences that have arisen among opposition groups, and establish a basis of harmony upon which joint action will be possible.

These things take time, since elections are fought not with fine sentiments, but with effective organization and active leadership. The unity ideal, it is said, needs a leader who will get out and join the fight, standing for election and ready to take the responsibility of forming a government in event of victory.

Reports from the grass roots indicate that the only two parties now in the field are making headway. They are the Liberals and the C.C.F. The importance of the latter will lie in its effect in capturing a few seats from Social Credit and converting blocks of Aberhart voters in others. The Liberals remain the only party with sufficient strength to contest a general election all along the line, which means that any unity drive cannot ignore the Liberals while at the same time the Liberal party itself needs and welcomes cooperation.

Lower St. Lawrence Power Reports Higher Earnings

From Our Own Correspondent

MONTREAL. — Lower St. Lawrence Power Co. reports an operating income of $235,673 for the nine months ended September 30, 1938. This contrasts with $217,653 for the same months last year. Much of the increase is offset by larger operating expenses and taxes. Net earnings available for interest and depreciation totalled $129,111, up from $121,716 a year ago. The depreciation reserve has been increased from $37,800 to $43,000, leaving $86,111 available for interest. This compares with $83,916 for the first nine months of 1937.

During the current period, the funded debt was reduced by $16,000 to $1,434,700.

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Plan for Network of Super Highways Has Important Interest for Canadians

Of great potential significance in development of Canadian-American transport facilities, and in pointing the way toward probable future development of main highways in this country, is the $300 millions long term plan for express superhighways in New York State.

When first officially proposed in 1936, the New York scheme called for ultimate development over a period of 14 years of 10 superhighway routes extending for a total of 927 miles. Since then detailed studies have been made and preliminary plans drafted for a highway of this type linking New York and Buffalo, with particular attention to an Albany-Buffalo route. An appropriation of $50,000 has been made available for the engineering studies and field surveys of route locations.

While approval has not been given the scheme as a whole and no appropriation has yet been voted for actual construction of the New York-Albany-Buffalo project, the plan has been persistently pressed on both the executive and legislative arms of the State Government by Col. F. S. Greene, superintendent of the public works department. And the $50,000 appropriation for surveys has at least committed the administration to serious consideration of the plan.

The proposed superroad has no connection with the scheme for an elevated express highway linking Detroit and Buffalo across western Ontario. When sounded out on this scheme last spring, the Ontario Government proved cool and the plan was dropped.

Important to Canada

Even the limited progress made to date confronts Canada with a definite possibility. Creation of a high speed express highway from Buffalo-Albany-New York and later across other sections of the state, would be important to Canada from three chief aspects. It would provide:

1. A new and valuable channel for fast movement of truck-shipped products from Canada to the United States, and vice versa.

2. A new and attractive facility for interchange of tourist traffic between the two countries, without interference with commercial traffic because of provision of separate lanes for truck movements.

3. A model for future highway development in Canada, particularly in the heavy traffic areas of Ontario, where the divided, dual-lane highway developments in the United States are being matched by the Hamilton-Toronto-Oshawa express road project.

Basic development of the proposed Albany-Buffalo superhighway would cost approximately $90 millions, on a basis of $300,000 per mile average cost for the 300-mile run. This includes cost for right-of-way. Final development, however, calls for a total of 10 or 12 traffic lanes, and would be spread over a number of years, in accordance with traffic demands and availability of finances.

Specifically under consideration for initial development when the necessary authority is obtained is a four-lane paved development, with overhead structures to provide elevated roadways at crossing points. The basic development would have a centre landscaped mall to separate traffic travelling in opposite directions at grade; would pass above or below grade at crossings of railway lines and intersecting highways; would permit access only at a limited number of strategic points; and would by-pass all communities of any size en route.

Cost of such a road, considering the express route features, compares favorably with the average of $100,000 a mile for regular divided lane highways, such as have been given initial development in Ontario. The cost of ordinary three-lane paved highways averages $70,000 a mile. The first stage would provide two 24-ft. traffic channels separated by a mall with a minimum width of 20 ft. The second stage would add 12 ft. on either side to the paving at grade.

Separation of Traffic

The third and fourth stages would add 36 feet on either side of the paving at grade and require an overall width of right-of-way of 250 feet. Additional malls would separate the third and fourth stages from the original developments at grade. Both on the highway itself and at the elaborate clover-leaf crossings at intersecting highways, high speed and slower traffic would be assigned separate lanes.

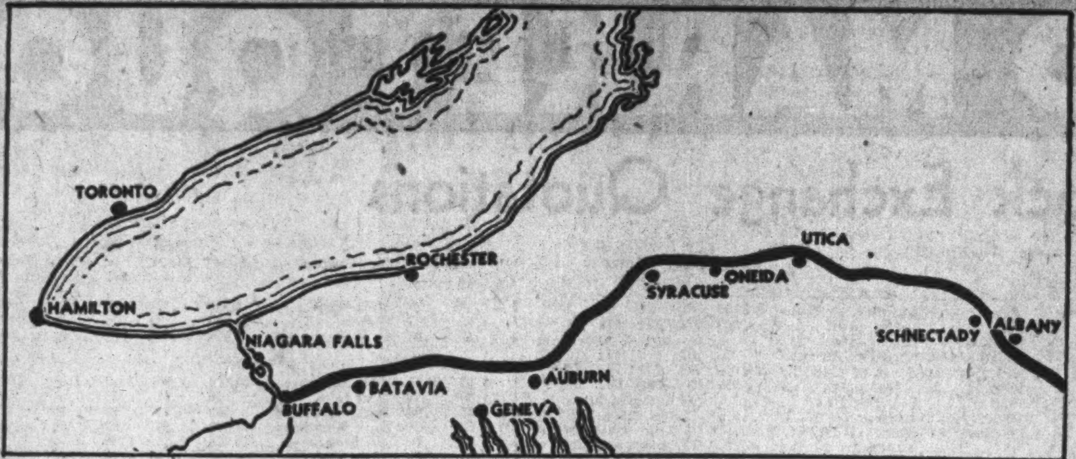
The actual field survey for the Albany-Buffalo road was under way this fall, but letting of contracts depends on appropriation of the necessary funds. However, the need for initiating the scheme as a whole is regarded as increasingly urgent. In his last report to the legislature, Superintendent of Public Works Greene recalled his original proposal for issuing bonds or otherwise raising $300 millions over a 13-year period for the project. He added:

"This period has now dwindled to 12 years, and the need for these highways is greater today than it was a year ago. There is every likelihood that the need will grow with each passing year, because of the rapid increase of motor vehicles in this state."

Essential Features

Coupled with the larger number of autos is the problem of increased traffic with faster driving, Col. Greene emphasized. This calls for development of an entirely new type of highway and for long term planning to cope with future needs, with safety demanding roads that embody the following factors:

1. The shortest practical route between principal points.
2. Congested centres of population must be by-passed.
3. Important highway intersections should be eliminated by bridge construction separation.
4. Lanes of opposing traffic should be separated by a safety strip.
5. No traffic lane should be less than 10 feet in width, and traffic lanes of 12 feet should be provided for trucks and buses.
6. The distance of visibility on the highway should not be less than 1,000 feet at any point.



SUPER-HIGHWAY ROUTE

Above is sketch map based on official field surveys already made by New York State highways engineers, showing favored route of proposed express superhighway linking Albany with Buffalo. The road would be the first of a network of 10 limited access, non-intersected express roads which it is hoped to build over a period of 11 or 12 years, at a total cost of $300 millions. The map shows how important the Albany-Buffalo link would be in carrying traffic to and from Canadian points.

Canada's Cigarette Money

(Continued from page 11)

ever legal action is considered necessary. There the matter rests.

Whether or not a combine exists is of general interest, but the smoker who hands 25 cents across the counter for a packet of cigarettes is more interested in knowing whether or not the "combine" is making him pay more for his cigarettes.

Factor Influencing Price

In recent years the price of cigarettes to the consumer has been influenced by three factors:

1. The increasing percentage of lower cost Canadian tobacco used in manufacture;
2. Reduction in excise duties and the increase in sales tax;
3. Increasing consumption.

Taking these in order, the Commission found that since 1929 the use of Canadian-grown leaf, replacing higher-price imported leaf, has greatly increased, rising in the case of cigarettes from 34% of total raw leaf used in 1929 to 80% in 1936.

Prior to 1932 the excise duty on cigarettes was $6 per thousand cigarettes. Since then the duty has been $4 per thousand.

In 1929 the sales tax was 2%. It dropped to 1% the following year and in 1931 jumped to 4%. From 1932 to 1935 the tax was 6% and on May 2, 1936, again increased to 8%, at which level it remains.

Because of the tremendous volume of production and the relatively minute quantity involved in the individual retail sale, it is difficult to "break down" the figures of costs.

In 1929, when 34% of the tobacco used in cigarette making was of domestic origin, the cost per pound of tobacco used was 63.8 cents. In 1936, containing 80% domestic, the cost of a pound of cigarette tobacco was 44.7 cents, a decrease of 19.1 cents per pound. This is equivalent to a reduction of 48 cents per 1,000 cigarettes.

Under the old excise duty the charge per 1,000 cigarettes was $6 and under the existing duty $4 a thousand.

The lowering of tobacco costs and excise duty thus account for a drop in cost of $2.48 per 1,000 cigarettes.

On the other hand there was an increase in the sales tax, the advance being equal to 32 cents per thousand cigarettes.

The Trend of Prices

What has happened in the period since 1929? Here is the answer:

Breakdown of Consumer's Dollar per 1,000 Average Cigarettes Consumed

	1929	1936
Consumer's average price ..	$13.06	$10.06
To distributors	2.99	2.31
Aver. manufacturer's price .	10.07	7.75
Excise stamps and sales tax	6.20	4.52
Cost of leaf used—2½ lb. of leaf	1.60	1.12
Balance for manufacturer ..	2.27	2.11

Pass Along Savings

Seemingly it would not be easy to make out a case against Imperial Tobacco's price maintenance policy because the savings have been passed along to the consumer. Further, the consumer has benefitted by the economies made possible by larger production.

But, and the point is quite properly raised, Canadians pay more for their cigarettes than do Americans. Why should this be?

It is possible to buy a packet of 20 cigarettes in the U. S. for 10 cents, if you like to smoke that kind. The brands which have sold in largest volume in recent years, including Chesterfield, Camel and Lucky Strike, have sold at retail prices of approximately $6.25 to $7.50 per thousand, or 12½ to 15 cents per package of 20 cigarettes.

U. S. and Canada Prices

Some 90% of the cigarettes sold in the United States fall into this latter category. Taking this type as typical and striking an average between $6.25 to $7.50, the following comparative breakdown of the consumers' dollar is reached:

Breakdown of Consumer's Dollar per 1,000 Popular-Priced Cigarettes*

	Canada	U.S.A.
Consumer's price	$10.00	$6.75
To distributors	2.33	1.24
Manufacturer's price	7.67	5.51
Excise stamps & sales tax..	4.57	3.00
Balance for manufacturing, costs and profit	3.10	2.51

*Figures used differ from the 1936 breakdown because of adjustments in prices and increase in the sales tax since that year.

When Figures Mislead

On the surface, Uncle Sam's smokers come off better than do the smokers in this country. What the figures do not tell is that the Canadian manufacturer pays $4 a thousand in excise duty as against $3 paid in the States. Again the Canadian manufacturer pays 57 cents a thousand in sales tax; the American producer nothing.

The manufacturer here pays more for his tobacco than does the American operator, the difference on an average amounting to 8 cents a pound, or 20 cents per thousand cigarettes.

The distributor's gross profit may be high in Canada, but the evidence indicates that the manufacturers' profit is in line with that secured in the States considering the difference in volume of trade and density of population. And when these latter factors are considered in relation to the cost of distribution, it would be found, if possible to detail the figures, that distribution costs are not excessive in Canada.

Operators' Earnings Steady

Another test of whether or not exorbitant profits are being made, due to the resale price maintenance policy, is to examine the profit of the manufacturers. Though there are about half a dozen major cigarette manufacturers in this country, Imperial Tobacco is the only one to issue a financial statement.

In 1929 this company reported a net profit of $5,862,208 and in 1937 $6,489,082. In the same period the increase in the volume of tobacco business in this country was appreciably greater. In quantity the figures are: cigarettes, from 4,607,500,425 to 6,848,693,000; cut tobaccos, from 14,069,696 lb. to 20,837,870 lb. These figures are for the fiscal years ended March 31, 1929 and 1938, but closely approximate the volume of business available to Imperial during the calendar year period. If profits had advanced in direct proportion to volume of trade, obviously the company's earnings in 1937 would have been considerably greater.

What Happens With Competition

There is the other angle of the problem; without the price resale maintenance of Imperial, how would the consumer fare?

The figures quoted show that the margin of profit when considered in relation to a packet of 20 or 25 cigarettes, is very minute.

On a packet of 20 cigarettes the gross profit amounts to 6.2 cents. From this sum the manufacturer must cover the duty on United States leaf used; the cost of carrying his maturing stocks of tobacco; processing, packaging, advertising, distributing to dealers, wages and salaries, employee welfare schemes, return on capital, etc.

For practical purposes a drop in the retail price of 1 cent a package is not feasible because of marketing difficulties.

This one cent, while insignificant if considered by itself, is highly important to the manufacturer. If he were to lose that one cent, his gross margin of profit on a packet of 20 cigarettes, would be nearly 17% less than that of the American manufacturer faced with price competition. If adjustment is made for difference in duty and sales tax, the Canadian manufacturer would receive 24% less than the American operator.

New Building

Sisters of St. Joseph, Toronto, have initiated construction of a three-story hospital building to house the Mercy Hospital for Incurables, at present located in an old building on Sackville St. The new building will be adjacent to St. Joseph's Hospital and will accommodate nearly 300 patients.

Coca-Cola Co. of Canada has awarded contract for $50,000 extension project at its Winnipeg plant.

Standard Clay Products Ltd., Montreal, is considering erection of $35,000 plant for production of centrifugally spun pipe.

Imperial Tobacco Co. has awarded contract for erection of warehouse at Delhi, Ont.

Dominion Dept. of Public Works has awarded contract at $168,814 for strengthening of elevator wharf at Sorel, Que., to the **Foundation Co. of Canada.**

Anglo-Canadian Oil Co., Calgary, is reported considering plans for $1 million oil refinery and $500,000 pipe line between Turner Valley and Calgary.

From recent reports by Engineering & Contract Record:

City of Vancouver is studying proposed programme of development of parks, recreational facilities, and marketing buildings, calling for gross outlay of $1.5 million. The cost would be shared by the city and the federal government.

Ontario Dept. of Highways has let contract to Dufferin Paving Co. for road work on a 50-mile stretch of the Fort Frances-Kenora highway in Northern Ontario.

Claude Desaulniers, Timmins, Ont., is considering erection of $100,000 hotel building.

Province of Saskatchewan has awarded contract at $55,590 for construction of second section of Caron water storage canal, under the Prairie Farm Rehabilitation Act.

Construction World

Smelters Housing

Provision of adequate and economical housing for workers has always been a knotty problem for large industrial concerns, especially mining companies. Some have solved the problem by building and renting "company houses," others have farmed out this job by contract to builders. Some have allowed the problem to find its own solution through a policy of laissez-faire.

A unique contribution, not only to this particular phase of housing but to the housing problem generally, has been made by Consolidated Mining & Smelting Co. Its plan has avoided the grief inherent in the "company house" system, has provided excellent accommodation at a minimum of cost and has fostered the desirable feature of home ownership.

By the end of this year, Smelters will have financed home construction for its employees, either directly or through loans to workers, of more than $3 millions. Approximately $2.8 millions of this has been advanced to employees since 1920 in the shape of 10-year loans at 5%, repayable at the rate of $10.61 a month for every $1,000 loaned. Borrowers must be able to provide an initial equity of 10% of the land and building, and the company must approve of the site chosen and the design for the house.

During and after the depression, when operations were curtailed and the work available shared, many workers found it difficult to accumulate the 10% equity. So this year the company developed its own subdivision near Trail, B.C., and a smaller one at Kimberley (site of the Sullivan mine) and launched construction of 180 houses at a cost of $423,000. The $2,400 house-and-lot units are to be rented for the first 12 months of occupancy at $30 a month, after which the major portion of the rent payment is to be credited as down payment for purchase of the house. Thereafter purchase of the house is to continue for 11 years at the rate of $21 a month.

• • •

Quiet, Please

Some pointers to essential considerations in abating the noise that so often is the bane of activity in industrial, commercial and residential buildings, are embodied in an analysis of noise abatement methods in a recent bulletin of the Ontario Research Foundation. The report is based partly on tests by the Foundation staff, but largely on findings recorded at the National Physical Laboratory of Great Britain.

Builders of both commercial and residential types of structures would do well to note the unqualified declaration in the report that "there is no such thing as a soundproof material; hence the importance of design." The bulletin adds:

"The insulating value of a single solid (or hollow block) wall or partition is found to be governed by the weight alone, no matter what the material. Buildings in which noisy operations are carried on and where escaping noise may constitute a nuisance, should be fitted with heavy, close fitting doors and windows, and should, where possible, be put in the shelter of larger buildings."

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HELLO, DEAR. THE ELECTROHOME HAS MADE SUCH AN IMPROVEMENT IN THIS OFFICE THAT I'M SENDING ONE OUT TO THE HOUSE TO-DAY
THAT'S FINE, FRED. WE'VE CERTAINLY NEEDED SOMETHING LIKE THAT FOR A LONG TIME.

CLEAN MOIST
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ELECTROHOME Air Conditioning pays big dividends in better health, greater comfort, increased efficiency. Dust, germs and pollen are removed by water washing and filtering. This clean air properly moistened is returned to the atmosphere and its beneficial effects are soon apparent. Colds are much less frequent. Everyone feels more alert mentally, work proceeds more smoothly.

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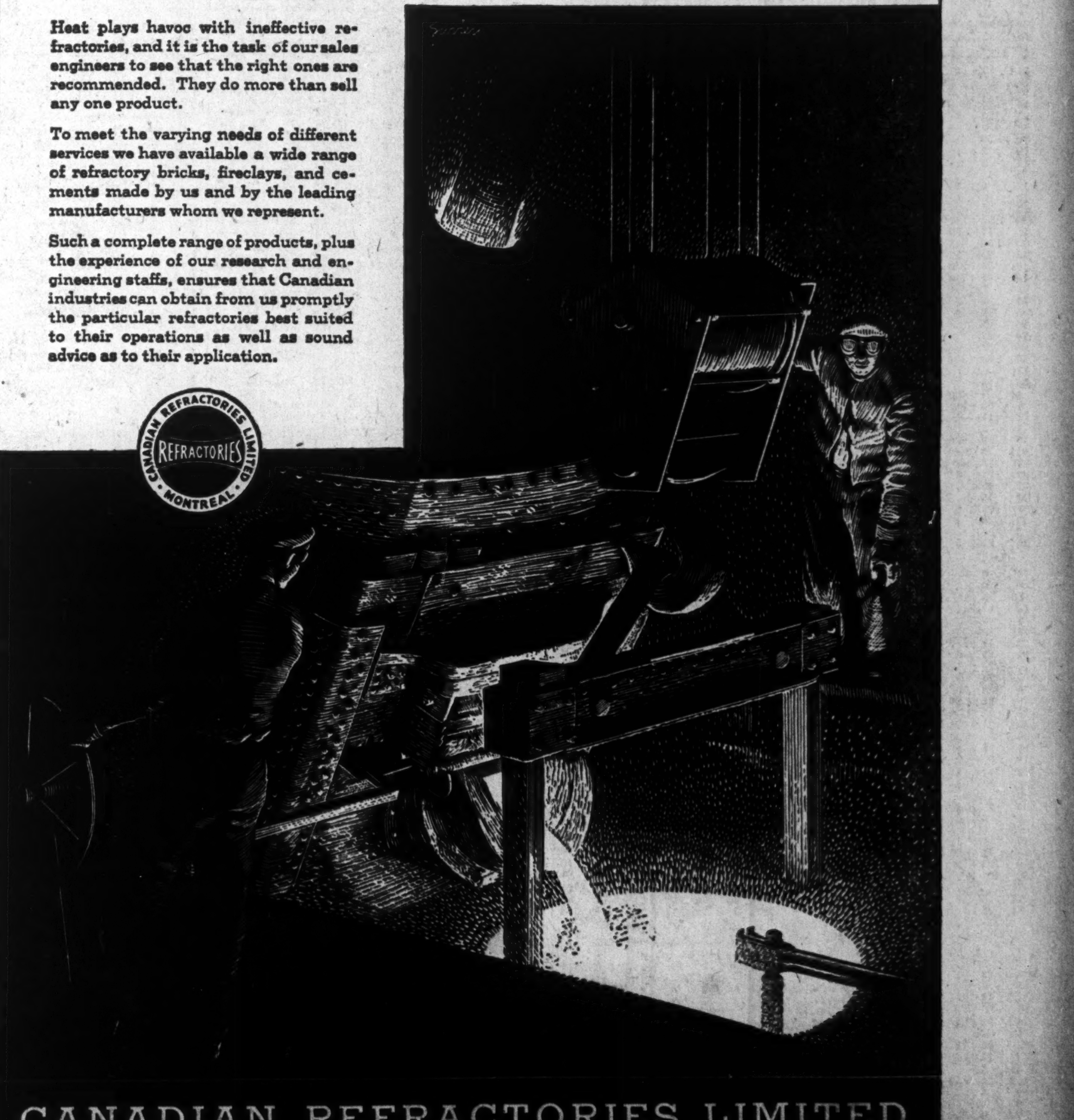


CANADIAN REFRACTORIES LIMITED
MONTREAL
MINING · MANUFACTURING · RESEARCH and ENGINEERING · SALES and SERVICE

STOCK AND BOND MARKET QUOTATIONS

Toronto and Montreal Stock Exchange Quotations

The following table is confined to official prices for listed stocks, including curb market quotations. Where no transaction is recorded, bid and asked prices are given. For unlisted stocks, quotations by unlisted dealers are published. The Financial Post cannot accept any responsibility for such quotations.

WEEK ENDING NOVEMBER 14

Range 1938 High	Low	Div R'te $	Nov12 Y'ld %		Sales	Last Nov. 7	Week end. Nov. 12 H	L	Cl'se
				A					
4.75	1.00	*	...	Abitibi	13511	3.62	3.87	3.25	3.38
33	6½	*	...	Do. pref. 6%	6315	28	29½	27½	28
43	25	*	...	Do. pref. 7%	....	(35½ bid — asked)			
30	9	*	...	Do. cert. dep.	1	30	28	28	28
4½	4½	30c	...	Acadia Sugar	....	(3 bid — asked)			
7	3	50c	10	Acme Glove	....	(5 bid 6 asked)			
82	60	6.50	10.8	Do. pref.	....	(— bid 70 asked)			
11	8½	60+20c	8.2	Agnew Surp.	120	9½	10	9½	10
110	103	7	6.4	Do. pref.	20	109	110	110	110
16½	14½	*	...	Algoma Steel	8601	..	16½	14½	16½
67	66	*	...	Do. pref.	35	..	67	66	67
5½	2	*	...	Alta. Pac. Gr.	5	3½	2½	2½	2½
29	10½	*	...	Do. pref.	60	24½	26	24	24
138½	75	*	...	Aluminum	....	144 bid 147½ asked			
110½	107	6	5.5	Do. pref.	....	(108½ Nov. 4)			
3	2	*	...	Amal. Electric	....	(2½ bid 2½ asked)			
30	25	*	...	Do. pref.	....	(25 bid 25½ asked)			
26½	23	60c	...	Amer. Cyn. B.	....	(— bid 25 asked)			
116	47	2+3	4.5	Asbestos	2105	115½	116	106	106½
16½	11½	80+25c	6	Assoc. Brew.	111	16½	16½	15½	16½
114	106	7	6.2	Do. pref.	14	114	113	113	113
6½	6½	*	...	Assoc. T. & T.A.	....	(— bid 8 asked)			
43½	34	1.26	...	Do. pref.	....	(— bid 37 asked)			
101	100	5.50	5.5	Ault & Wiborg.	....	(100 bid — asked)			
				B					
166	160	8	4.8	Bk. Can. Nat.	10	164	166	164	166
223	195	8	3.6	Bk. Montreal	361	218	220	215	215

Mining Stocks

Oil Quotations

Vancouver Stock Exchange

Corporation Bonds

(Supplied by Investment Dealers' Association of Canada)

Nov. 15, 1938

Public Utility Issues	Int. Rate %	Due	Nov. 15 Bid	Nov. 15 Asked	Nov. 8 Bid
†Assoc. Tel. & T.	5½	'55	78	81	77½
Beauharnois P.	5	'73	100	103	100
B. C. Power	4½	'60	100	103	99½
B. C. Tel.	4½	'61	106½	...	106
†Calgary Pwr.	5	'60	100½	103½	101
Do.	5	'64	100½	103½	100½
†Can. Nor. Pwr.	5	'53	104	107	103½
‡Dom. Gas & E.	6½	'45	91½	94½	91
‡Gatineau Pwr.	5	'56	104½	107½	104
‡Do., A	5	'49	99	102	...
Gt. Lakes Pwr.	4½	'56	97½	100½	97½
‡Inter. Hydro-E.	6	'44	78	81	78½
▲Inter. Power	6	'55	100½	...	100½
†Macl'n-Que. Pr.	5½	'61	104	107	104
Do.	5½	'64	104	107	104
Mtl. L., H. & P.	3½	'56	103	106	103
Do.	3½	'73	99	102	98½
†Mtl. Tramways	5	'41	98½	101½	98½
†Do.	5	'55	74½	77½	74½
Nat. Lt. & Pr.	6	'49	96½	99½	96½
N. S. Lt. & Pr.	4	'57	100½	103½	100½
‡Ottawa L.H.&P.	4	'57	102½	105½	102
†Ottawa V. Pwr.	5½	'70	105½	108½	105½
†Power Corp.	4½	'59	103	106	102½
Quebec Power	4	'62	100	103	99½
§Saguenay Pr., A	4½	'66	105	108	104½
Do., B	4½	'66	105	108	104½
Shaw. W. & Pr.	4	'61	102½	105½	102
Union Gas	4½	'50	101½	104½	101
Wpg. El. Ser. A	4	'65	65½	68½	65½
Industrial and Realty Issues:					
†Abitibi P. & P.	5	'53	67	70	68
Acadia Sugar	4½	'55	101½	104½	101½
†Alta. Pa. Grain	6	'46	88	91	88½
Atlantic Sugar	4	'51	99½	102½	99½
B. A. Oil	4	'45	103	106	103
†B. C. P. & Pap.	6	'50	82	85	81½
§Brown Co.	5½	'46	52½	55½	53
†Burns & Co.	5	'58	53	56	54
Canada Bread	6	'41	107	110	107½
Canada Cement	4½	'51	103½	106½	103½
Canada Paper	4½	'52	98½	101½	99
Can. Steamship	5	'57	82½	85½	83
Candn. Canners	4	'51	101	104	101
‡Can. Int. Paper	6	'49	99½	102½	99½
‡Candn. Vickers	6	'47	97½	100½	95
C. P. R.	3½	'51	88	91	88
Do.	4	'49	91½	94½	91½
Do.	4½	'44	94	97	94½
Do.	6	'42	103½	106½	104
Do., debs.	4 perp.		82	85	81½
†Consol. Paper	5½	'61	52	55	53
Dom. Coal	4½	'52	103	106	102½
▲Dom. Stl. & C.	6½	'55	98½	101½	98½
Dom. Tar	4½	'51	102½	105½	102
†Donnacona P.	4½	'56	78	81	78½
Famous Players	4½	'51	97	100	97
†Federal Grain	6	'49	93	96	93½
†Fraser Cos.	6	'50	99	102	99
Gen. Stl. Wares	4½	'52	96½	99½	96
‡Great Lakes P.	5	'55	83	87	84
†Gypsum, Lime	5½	'48	98	101	98
Ham. By-Pr. C.	5	'55	98½	101½	98½
Inter-City Bak.	5½	'48	103	106	103
‡Int. P.&P. Nfld.	4½	'68	101	104	102
Lk. St. J. P.&P.	5½	'61	91½	94½	90½
Maple Leaf M.	5½	'49	46	51	47½
†Massey-Harris	5	'47	99½	102½	99
†McColl-Fron.	4½	'49	98	101	98
McCormick's	4	'52	82½	85½	80
‡M. & O. Paper	6	'45	40	43	39½
Nat. Grocers	4	'47	101½	...	101½
†N. S. Stl. & C.	3½	'63	77	80	75
Price Bros.	5	'57	97½	100½	97½
‡Prov. Paper	5½	'47	101½	104½	101½
†Restigouche Co.	6	'48	97½	100½	98
Rolland Paper	4½	'51	102	105	102
Simpsons Ltd.	4½	'51	98½	101½	98½
Smith, Howard	4½	'51	102½	105½	102½
†Steel of Can.	6	'40	107½	110½	107½
‡United Gas	5½	'48	102½	105½	102½
United Gr. Grs.	5	'48	92½	95½	92½
†Western Grain	6	'49	34½	37½	35

‡Payable in Canada or U.S.
†Payable in Can., U.S. or U.K.
▲Payable in Can. or U.K.
§Payable in U.S. only.

Winnipeg Stocks

(Transactions from Nov. 7 to Nov. 12)

	Sales	High for period	Low for period	Close Nov. 12
Berens River	100	1.10	1.00	1.00
Central Man.	600	.04½	.04½	.04½
Flin Flon	3,500	.03	.02½	.02½
Gt. West Life	26	315.00	310.00	315.00
Gt. Falls M.	1,000	.05	.05	.05
Gurney Gold	5,200	.23	.21	.22
Monarch Life	18	25.00	25.00	25.00
Ore Grande	2,500	.03	.02½	.02½
Packsack	700	.03½	.03½	.03½
Sachigo River	264	16.50	15.00	15.00
Shenango	1,500	.32	.30	.30
Rel. Grain, pfd.	5	45.00	45.00	45.00
Star Lake	55,900	.02	.01½	.01½
United Grain	46	7.00	6.50	7.00
West. Breweries	55	1.60	1.40	1.60
West. Steel	120	9.00	9.00	9.00
Wings	200	.30	.30	.30
Wingold	4,000	.03	.03	.03

Stocks Not Traded in During Week*

	Bid	Asked
Beaver Fire	...	100
Can. Indemnity	125	...
Can. Airways	...	3½
Corr. Paper Box, c.	...	2½
Cres. Cream., pf.	...	12
Dom. Envelope	2	2¾
Do., pref.	96½	98
Federal Grain, pfd.	26½	28½
Home Investment	15	18
Nor. Can. Mtge., pf.	3	...
North. Mtge., part. pf.	2	2½
Northern Trust	6	7
Traders Bldg.	...	82

*Stocks more active on other exchanges not included.

Stock Sales

	Montreal Markets Indust.	Montreal Markets Mines	Toronto Markets Ind. & Mines
Nov. 15	40,600	61,900	513,000
Nov. 14	31,200	41,700	511,600
Nov. 12	17,900	31,200	293,000
Nov. 11	—Holiday—		
Nov. 10	41,400	48,600	631,000
Nov. 9	70,900	107,800	755,000

Investment Trusts

	Bid	Asked
Can. Amer. Trust	3.85	4.10
Can. Inv. Fund	4.10	4.50
All Can. Trustee	12.50	13.25
Trans-Canada	...	13.40
Grouped Income	5.95	...
Can. Int. Tr., modified	5.00	6.00
Do., unmodified	4.25	5.25

Unlisted Stocks

(Furnished by A. J. Pattison Jr. & Co., Toronto)

Nov. 15, 1938

Industrial Stocks:	Bid	Asked
Acme Farmers Dairy, pfd.	14.00	....
Andian Nat.	39.00	41.00
Anglo Can. Tel.	8.80	9.25
Barrymore Cloth, pfd.	18.00	22.00
B. C. Packers, com.	12.50	14.00
B. C. Pulp & Paper, com.	*12.50	15.00
Do., pfd.	*50.00	....
Blue Top Brewing, pfd.	2.50	....
Burns & Co., A	4.85	5.50
Do., B	1.75	2.25
Canada Tea, pref.	16.00	....
Can. Goodrich, com.	1.10	....
Car. Industries, A com.	234.00	....
Can. Ingersoll Rand	134.00	137.00
Can. Tube & Steel, com.	3.25	3.00
Do., pfd.	61.00	65.00
Chase, A. W., pfd. bonus	26.00	27.25
Claude Neon, pfd.	5.50	6.50
Cons. Sales Book, pfd. bonus	81.00	....
Copeland Flour Units	5.00	6.50
Corrugated Paper Box, rts.	....	8.75
Dom. Manufacturers, com.	4.25	5.00
Do., pfd.	62.50	66.00
Dunlop Tire, pfd. par $25	19.75	20.75
Easy Washing, pfd.	9.50	10.50
Federal Grain, com.	1.85	2.05
Do., pfd.	25.00	28.00
Goderich Elevator	6.25	7.00
Guelph Carpet, pfd.	104.00	105.25
Do., com.	16.75	18.00
Hayes Steel Prod., com.	8.25	9.00
Do., pfd.	8.25	9.00
Highland Dairy, pfd.	43.00	47.00
Inter City Baking, com.	30.50	34.00
Kingston Shipbuild. Units	9.75	11.00
Loblaw Inc., pfd. bonus	76.00	79.00
Maritime Tel., com.	16.25	17.00
Do., pfd.	17.00	18.00
Morrison Brass, pfd. bonus	5.75	7.50
Morrow Screw, pfd. bonus	93.50	98.00
Neilson, Wm., com.	6.50	8.00
Do., pfd.	98.50	....
New Brunswick Tel., com.	12.25	13.00
New Meth. Laund., pfd. bon.	50.50	54.00
Niag. Lower Arch Bridge, c.	69.00	....
Paterson, Wm., pref.	101.00	103.00
Provincial Paper, pfd.	104.00	105.50
Reliance Grain, pfd.	43.50	48.00
Robinson Consol. Cone	8.25	9.00
Ruddy, E. L., pfd.	28.00	30.00
Seal O Sac (Can.)	6.50	7.25
Standard Fuel, com.	2.25	3.50
Do., pfd.	58.00	62.00
Stedman Bros., pfd. par $50	54.25	56.00
Toronto Carpet, com.	27.00	31.00
Do., pfd.	55.00	58.00
United Farmers Co-op.	2.75	3.25
United Steel, A pfd.	20.50	22.00
Viceroy Mfg., pfd. & rts.	22.25	24.25
Western Grain, pfd. bonus	5.00	6.00
Western Steel Prod., com.	8.50	9.25
Weston (Geo.) Foods (Eng.)	4.00	4.75
Willards Choc., pfd.	60.00	....
Zellers, pfd.	24.00	28.50
Trusts and Loan Stocks:		
British Mortgage	145.00	....
Commercial Finance, com.	2.65	3.00
Guelph & Ontario, par $50	52.50	55.00
London & Western Trust	37.00	....
Premier Trust	....	110.00
Sherbrooke Trust	120.00	....
Sterling Trust	45.00	50.00
Traders Fin., B com.	15.25	16.00
Do., pfd.	79.00	82.00
Trusts & Guarantee	25.50	28.50
Insurance Stocks:		
Can. Fire Ins.	82.50	85.50
Canada Life Assce.	481.00	488.00
Confed. Life 25% pd.	145.00	....
Crown Life Fully pd.	207.00	....
Dominion Fire Ins.	131.00	....
Dom. of Can. Gen.	105.00	107.50
Empire Life 25% pd.	10.00	11.00
Excelsior Life 30% pd.	57.00	62.00
Federal Fire 25% pd.	48.00	55.00
Great West Life	285.00	....
Halifax Fire	24.50	25.50
Imperial Life	326.00	335.00
Manufacturers Life	239.00	244.00
Monarch Life 10% pd.	24.00	28.50
Sovereign Life 25% pd.	14.00	17.00
Sun Life Assce.	465.00	485.00
Toronto General	5.00	6.00
Western Assce., com.	49.00	52.00
Theatre Stocks:		
Allens, Kingston, pfd.	64.00	....
Do., pfd.	63.00	70.00
Do., St. Catharines, pfd.	62.00	66.00
Do., Tor. 7% pfd. bonus c.	33.50	....
Loew's London, pfd.	3.25	4.00
Mansfield Theatre, pfd.	25.00	....
Paramount Kitchener, pfd.	48.00	51.50
Do., Oshawa, pfd.	88.00	92.00
Investment Trust Shares:		
Can. Investment Fund	4.10	4.50
Can. Investors Corp.	6.50	7.50
Invest. Found. Units	55.00	....
Lon. Can. Inv., pfd.	32.50	37.00
Sec's. Hold. Corp., 6% pf. b.	17.50	18.50
United Corp., A	22.50	23.50
Do., B	12.50	13.25
Power Issues:		
Can. West. Nat. Gas, com.	24.00	28.00
Do., pfd.	96.00	98.00
Inter. Util., $7 pfd.	96.50	103.00
Great Lakes Power, pfd.	100.00	102.50
Montreal Island Power, pfd.	20.50	....
Nova Scotia L. & P., pfd.	105.00	....
Northern Ont. Power, pfd.	97.00	100.00

Municipal Bonds

Nov. 15, 1938

†Halifax	5	1961	114.00	115.50	3.97
Hamilton	5	1950	108.60	110.10	3.90
Montreal	5	1945	104.00	105.50	4.00
Ottawa	4½	1945	108.10	109.60	2.90
†Quebec	5	1959	106.00	107.50	4.44
Saint John	5	1950	107.00	108.50	4.10
†Toronto	4½	1953	112.50	114.50	3.35
†Vancouver	5	1950	89.00	92.00	5.97
Winnipeg	5	1944	98.50	101.00	4.78

†Payable Can. and N.Y.

Bond Redemptions

Bond Issues:	Rate	Year	Due	Price
Riordon Pulp	‡6%	1942	Dec. 31	108
Mississippi River Power	*5%	1951	Jan. 1	105
Aluminium	▲5%	1948	Jan. 1	103
Eastern Car	†6%	1952	Jan. 1	105
Can. Foundries	■6%	1942	Feb. 2	110
Porto Rico Tel.	*6%	1944	Dec. 1	108
*Nfld. L. & Pr.	5½%	1971	Dec. 10	104

For sinking fund purposes:
‡$85,900. *$152,900. †$40,000.
▲$3,000,000. ■$38,000. *$40,900.

Unlisted Mines

TORONTO
November 15, 1938

	Bid	Ask.		Bid	Ask.		Bid	Ask.
Addington	.13½	.15	Hiawa'a	1.03	1.10	Pontiac R.	.14	.18
Albany R.	.22	.25	Hutch. Lake	.02½	.03	Pelangio	.05	.06
Algoma S.	.16	.17	Hugh PaP	.09½	.10	Polaris	.30	.33
Amorada	.02½	.03½	Keora	.04½	.05	Propri'y	1.70	1.75
Arjon	.02½	.03½	Kaw Crow	.02½	.03½	Private'r	1.45	1.50
Armistice	.02½	.03½	Kenricia	.30	.31	Presdor	..	.02½
Argosy	.03½	.04½	Kewaga'a	.11½	.12½	Queb. Man.	.15	.18
Arno	.01½	.02½	Kir. Vit.	.02	.02½	Rand Mal.	.22	.24
Athona	.08½	.09	Kirk Gate	.09	.10	Rajah	.02	.02½
Area	.09	.09½	Kirk Hunt	.02	.02½	Ribago (new)	.02½	.03½
Barb. Lar.	.19	.20	Lacoma	.02½	.03½	Red LGS	.03½	.05
Big Master	.02½	.03	Lafayette	.01	.01½	Rhyolite	.07	.08
Bilmac	.05	.07	Lake Duf.	.68	.70	Rich Rock	.05	.07
Baldwin	.01½	.01½	Lake Gen.	.21	.24	Rouyn Re.	.02½	.03
Cuniptau	.03½	.04	Lake Rose	.05	.07	Rubec	.02½	.03
Calder Bo.	.04½	.05½	Lardego	.06	.06½	Sachigo	10.00	10.50
Camlaren	.09½	.10½	Lucky Kir.	.04	.04½	Shenango	.18	.30
Cana. Pan.	.02½	.03½	Magnet L.	.11	.13	Sheldon	.08	.10
Cana. Kirk.	.01	.01½	Magnet C.	.52	.53	Silver Val.	..	.08
Capital Ro.	.01½	.02½	Martin B.	.16	.16½	Sigma (new)	6.50	7.00
Central M.	.03½	.04	Mata Cana	.04½	.05½	Siscoe E.	.04½	.05
Cheminis	.08½	.09	Moffatt Hall (new)	.04	.05	Smelter	.04	.06
Coin Lake	.03½	.03½	McFar. LL.	.01½	.01½	South Ver.	..	.08
Crowshore	.08	.09	McCarthy	.04½	.05½	Spooner	.05	.06
Cont. Kir.	.20	.21	McVit. Kir.	.02½	.02½	Sturg. Riv.	.30	.32
Dawson W.	.03½	.04	Monarch	.03	.03½	Sunbeam	.30	.33
Delandore	.06	..	Mosher	.18½	.19	Sun Bear	.03	.05
Delnite	.70	..	Mooshla	.04½	.05½	Surf. Inlet	.12	.13
Desantis (new)	.30	.31	Norlake	.03½	.03½	Springer	.08	.09
Doreva	..	.03	Norbeau	.79	.81	Tonawa'a	.03	.04
Devon	.28	.31	Negus	.87	.92	Up Cana	.02	.03
Dunlop (new)	.02½	.03	Nickel Of.	.60	..	Virita	.01½	.02
Elmos	.28½	.30	North Sho.	.01½	.01½	Williamson	.01½	.02
East Ro.	.25	.28	Oklend	.18½	.19½	Wesley	.08	.10
Frontier	.03½	.04	O'Leary	.03½	.04½	Wells LL.	.12	.14
Gate Pat.	.02½	.03	Opemiska	.08	.08	Westside	.01½	.02
Gilbec	.01	.01½	Oriole	.02½	.04	Westwood	.06	.08
Goldside	.01	.02	Ossian	.05½	.05½	Wh. Horse	.02½	.03
Golden G.	.40	.43	Pascalis	.38	.40	Winoga cum. rites	.04½	.06
Golden Tr.	.08	.09	Porc. Lake	..	.08½	Woco	.12	.13
Gordon Lb.	.03½	.04	Porc. McN.	.01½	.01½	Y. Davidson	.26½	.27½
Hallnor	9.00	9.50	Plains P.	.85	1.00	Y. Shannon	.08	.09
Halliwell	.07½	.08	Planet	.05	.05½			
Hislop	.02½	.03½						

MONTREAL
November 15, 1938

	Bid	Ask.		Bid	Ask.		Bid	Ask.
Abbeyville	..	.11	Dempsey Cad.	..	.02	Norbeau	.78	.81
Amity	..	.01½	Dorval Units	..	8.50	Obaiski	.08	.09
Brown Cad.	..	.01½	Lake Rowen	.09	.10	Pan Canadian	..	.04½
Chibmac	.02	.03	L. L. Lagoon	.03½	.06	Routhier Cad.	..	1.50
Cournor	..	.20	Leroy	.01	.01½	Valdor Min.	.27	.30
						Warrenmac		

Government Bonds

(Supplied by Investment Dealers' Association of Canada)

Dominion of Canada Bonds

	Nov. 15, 1938	Bid	Asked	Approx. Yld.
‡2	1 Jan. '39	100.50	101.25	...
1	1 June '39	100.00	100.37	.33
2	15 Nov. '39	101.00	101.50	.50
2½	15 Oct. '39	101.35	101.85	.47
4	15 Oct. '39	102.75	103.25	.44
1½	1 June '40	100.75	101.25	.67
4½	1 Sept. '40	105.62	106.12	1.03
1	15 Mar. '41	99.62	100.12	.95
[illegible]	15 Nov. '41	109.62	110.12	1.53
3	1 June '42	102.00	102.50	1.28
3	15 Oct. '42	105.12	105.62	1.51
2½	1 June '43	103.50	104.00	1.59
[illegible]	15 Oct. '43	113.62	114.12	1.97
3	1 June '44	100.62	101.12	1.79
‡3½	15 Jan. '44	102.50	103.25	▲1.45
4½	15 Oct. '44	112.62	113.12	2.12
2½	15 Nov. '44	102.75	103.25	1.92
‡2½	15 Aug. '45	103.37	104.12	▲1.60
4	15 Oct. '45	108.62	109.12	▲2.04
4½	1 Feb. '46	112.87	113.37	2.47
3¼	1 June '49	103.00	103.50	▲2.74
3½	15 Oct. '49	104.25	104.75	▲2.62
3¼	15 Nov. '51	102.50	103.00	▲2.90
‡5	1 May '52	111.50	112.25	▲1.40
4	15 Oct. '52	108.50	109.00	▲2.85
3	1 June '55	99.50	100.00	3.00
4½	1 Nov. '56	111.50	112.00	▲2.81
4½	1 Nov. '57	111.75	112.25	▲2.94
3	1 June '58	98.50	99.00	3.07
4½	1 Nov. '58	112.37	112.87	▲3.00
4½	1 Nov. '59	112.87	113.37	▲3.06
‡4	1 Oct. '60	110.87	111.62	▲2.85
‡3¼	15 Jan. '61	103.87	104.62	▲2.91
3¼	1 June '66	101.25	101.75	▲3.12
‡3	15 Jan. '67	98.50	99.25	3.04
‡3	Perp. bonds ...	93.00	93.50	3.21

Dominion Guaranteed Bonds

Canadian National Railway:

		Bid	Asked	Approx. Yld.
2	15 Jan. '42	101.37	102.37	1.23
3	15 Feb. '43	101.00	102.00	1.51
3	1 May '44	104.50	105.50	1.95
3	15 Dec. '50	99.25	100.25	▲2.96
3	15 Feb. '53	98.75	99.75	3.02
*4½	1 Sept. '51	115.50	116.50	2.96
*4½	1 Feb. '56	116.25	117.25	3.21
†4½	1 July '57	116.25	117.25	3.27
*4¾	15 June '55	118.75	119.75	3.23
5	1 Feb. '54	119.50	120.50	3.30
*5	1 July '69	116.75	117.75	▲2.45
*5	1 Oct. '69	120.25	121.25	▲3.09
*5	1 Feb. '70	120.25	121.25	▲3.15

Provincial Government Bonds

		Bid	Asked	Approx. Yld.
New Brunswick:				
3	15 Oct. '51	92.00	93.00	3.69
3½	15 June '56	96.00	97.00	3.74
†4	15 Nov. '47	102.25	103.25	▲3.48
†4½	15 Apr. '61	104.50	105.50	4.12
†5	15 Jan. '60	110.00	111.00	4.22
Nova Scotia:				
3	2 Jan. '52	96.00	97.00	3.27
3¼	1 Nov. '50	101.00	102.00	3.30
3½	1 June '56	98.00	99.00	3.32
†4½	15 Sept. '52	109.00	110.00	▲3.19
†4½	15 Nov. '60	111.75	112.75	3.65
†5	1 Mar. '60	117.50	118.50	3.74
Ontario:				
2½	15 May '45	101.50	102.50	2.08
3	1 Nov. '50	99.25	100.25	▲2.97
3¼	15 Nov. '51	101.25	102.25	▲3.01
*4	1 June '62	109.00	111.00	3.32
4½	1 June '50	112.75	113.75	3.07
*4½	15 Jan. '62	116.50	118.50	3.36
5	15 Oct. '48	116.25	117.25	2.97
*5	2 Dec. '60	123.50	125.50	3.35
5½	1 July '46	117.75	118.75	2.76
Ont. Hydro Comm.:				
3	1 Aug. '48	99.50	100.50	▲2.92
3¼	1 Feb. '53	100.75	101.75	▲3.07
3½	1 Apr. '47	103.25	104.25	2.93
Prince Edward Island:				
3	1 Oct. '45	99.50	101.00	2.84
Quebec:				
3	1 Nov. '51	96.75	97.75	3.21
3¼	1 Mar. '48	99.25	100.25	3.22
3½	1 June '52	98.25	99.25	3.32
4	15 Mar. '52	106.00	107.00	3.35
4¼	1 Aug. '58	109.00	110.00	3.55
4½	2 Jan. '63	112.00	113.00	3.69
Alberta:				
4	15 Dec. '54	54.25	58.25	¶
4½	1 Oct. '51	60.00	64.00	¶
†4½	1 Oct. '56	55.25	59.25	¶
*5	1 Oct. '59	59.25	63.25	¶
†5½	1 Apr. '52	62.75	66.75	¶
6	1 Mar. '47	63.25	67.25	¶
British Columbia:				
†4	1 Dec. '57	90.50	93.50	4.51
*4½	15 Jan. '51	97.00	100.00	4.50
†4½	1 Oct. '53	96.50	99.50	4.55
†5	25 Apr. '54	99.50	102.50	4.77
5½	1 Feb. '45	101.50	104.50	4.65
6	15 Feb. '47	103.50	106.50	5.02
Manitoba:				
†4	1 Dec. '57	81.50	85.50	5.21
†4½	15 Dec. '56	85.50	89.50	5.42
*5	2 Dec. '59	93.00	97.00	5.24
5½	1 Oct. '55	95.00	99.00	5.59
6	1 Apr. '47	96.00	100.00	6.00
Saskatchewan:				
4	1 Nov. '60	63.00	67.00	6.95
†4½	1 Oct. '51	77.00	81.00	6.71
†4½	15 Mar. '60	68.00	72.00	7.05
5	1 Aug. '58	73.00	77.00	7.18
5½	1 Oct. '52	77.00	81.00	7.75
6	15 Mar. '52	79.00	83.00	8.10

*Payable Can., N.Y., & £. ▲Calculated to call date giving lowest possible yield. †Payable Can. & N.Y. ■Payable N.Y. ‡Callable on or after Sept. 15, 1936. ¶Traded flat. Interest being paid at 50% of coupon rate; minimum rate 2%.

Dividends Declared

	This payment	Date payable	Date of record
Aluminium, pf.	$1.50	Dec. 1	Nov. 15
Agnew-Surpass. pf.	$1.75	Jan. 3	Dec. 15
Andian National	$1	Dec. 1	Nov. 21
Do., cap. distrib.	$6	Dec. 1	Nov. 21
Anglo-Can. Tel. A.	15c	Dec. 1	Nov. 15
Asbestos Corp.	50c	Dec. 31	Dec. 15
Do., extra	$1.50	Dec. 31	Dec. 15
Belding Cort.	$1	Jan. 3	Dec. 15
Do., pref.	$1.75	Jan. 3	Dec. 15
Bk. Can. Nationale	$2	Dec. 1	Nov. 15
Bright, T. G.	7½c	Dec. 15	Nov. 30
Do., pref.	$1.50	Dec. 15	Nov. 30
Bk. of Montreal	$2	Dec. 1	Oct. 31
Bulolo Gold	*$1.50	Nov. 22	Nov. 18
Bk. of Toronto	$2.50	Dec. 1	Nov. 15
Calgary & Edmon.	8c	Dec. 15	Nov. 15
Can. & Dom. Sugar	37½c	Dec. 1	Nov. 15
Canadian Car, pf.	44c	Jan. 10	Dec. 23
Can. Wire & C. pf.	$1.62½	Dec. 15	Nov. 30
Can. Ind. Alcohol, A & B	10c	Nov. 30	Nov. 21
Can. Int. Inv. Tr., pf.	50c	Dec. 1	Nov. 15
Can. Malartic	3c	Dec. 20	Dec. 5
Cosmos Imp., pref.	$1.25	Jan. 14	Dec. 31
Canadian Oil, pf.	$2	Jan. 2	Dec. 20
Cons. Div. Std. Sec., pf.	37½c	Dec. 15	Nov. 30
Crow's Nest Coal	$3	Dec. 1	Nov. 14
Can. Foundries, A	25c	Dec. 1	Nov. 15
Can. Cottons	$1	Jan. 2	Dec. 16
Do., pref.	$1.50	Jan. 2	Dec. 16
Coniaurum Mines	*5c	Dec. 21	Dec. 1
Can. Int. Inv. Tr., p.	50c	Dec. 1	Nov. 15
Commoil	*4c	Nov. 29	Nov. 17
Chase, A. W., pfd.	50c	Nov. 10	Oct. 31
Dom. Found., pf.	$1.50	Dec. 1	Nov. 21
Dom. & A. Inv., p.	$1.25	Dec. 1	Nov. 15
Do., arrears	$1.25	Dec. 1	Nov. 15
Falconbridge N.	7½c	Dec. 29	Dec. 8
Ford Motor, A & B	25c	Dec. 17	Nov. 26
Firestone Pete.	†	Dec. 3	Nov. 21
Foundation Pete.	†	Dec. 3	Nov. 21
Electrolux	40c	Dec. 15	Nov. 15
Gatineau Power, pf.	$1.25	Jan. 1	Dec. 1
Do., com.	20c	Dec. 15	Nov. 19
Growers' Wine	5c	Dec. 15	Dec. 10
Hollinger Cons.	5c	Dec. 2	Nov. 18
Do., extra	5c	Dec. 2	Nov. 18
Howey Gold	4c	Dec. 1	Oct. 31
Hudson Bay M.	75c	Dec. 12	Nov. 18
Inter. Nickel, c.	50c	Dec. 31	Dec. 2
Imperial Oil	25c	Dec. 1	Nov. 17
Do., extra	37½c	Dec. 1	Nov. 17
Inter. Petroleum	75c	Dec. 1	Nov. 21
Do., extra	50c	Dec. 1	Nov. 21
Do., pref.	75c	Dec. 1	Nov. 21
Do., extra	50c	Dec. 1	Nov. 21
Kirk. Lake G.	4c	Dec. 1	Oct. 31
Do., extra	2c	Dec. 1	Oct. 31
Loblaw Groc., A, B,	25c	Dec. 1	Nov. 10
Do., bonus	12½c	Dec. 1	Nov. 10
Lk. of Woods M. pf	$1.75	Dec. 1	Nov. 15
Macassa Mines	5c	Dec. 15	Nov. 30
Do., extra	5c	Dec. 15	Nov. 30
Monarch Rylts.	†	Dec. 3	Nov. 21
McKenzie R. Lake	3c	Dec. 15	Dec. 1
McIntyre Porc.	50c	Dec. 1	Nov. 1
Montreal Loan	50c	Dec. 15	Nov. 30
Nat. Biscuit	40c	Dec. 15	Nov. 15
Do., pref.	$1.75	Nov. 30	Nov. 15
N. S. Light & P.	$1.50	Dec. 1	Nov. 15
Ogilvie Flour, pfd.	$1.75	Dec. 1	Nov. 19
Paymaster Cons.	1c	Jan. 16	Dec. 31
Provincial Bank	$1.50	Dec. 1	Nov. 15
Placer Develop.	*60c	Nov. 22	Nov. 18
Prairie Rltys.	†	Dec. 3	Nov. 21
Reinhardt Brew., c.	15c	Dec. 1	Nov. 15
Rolland Paper, pf.	$1.50	Dec. 1	Nov. 15
Royal Bank	$2	Dec. 1	Oct. 31
Royalite Oil	50c	Dec. 1	Nov. 18
Do., bonus	25c	Dec. 1	Nov. 18
Regent Knit., pf.	40c	Dec. 1	Nov. 15
Stuart, D. A., pfd.	20c	Dec. 1	Nov. 15
Sylvanite Gold	5c	Dec. 30	Nov. 21
Texas Can. Oil	6c	Nov. 30	Oct. 15
Toburn Gold	2c	Nov. 22	Oct. 21
Do., extra	2c	Nov. 22	Oct. 21
Toronto Elev., pfd.	66c	Dec. 7	Nov. 23
United Amus., A & B	30c	Nov. 30	Nov. 15
Do., bonus	15c	Nov. 30	Nov. 15
Vulcan-Brown	2c	Nov. 25	Nov. 19
Union Gas	20c	Dec. 15	Nov. 21
H. Walker	$1	Dec. 15	Nov. 25
Do., pref.	25c	Dec. 15	Nov. 25
Wr.-Hargreaves	10c	Jan. 3	Nov. 23
Do., extra	5c	Jan. 3	Nov. 23
Do., interim	10c	Jan. 16	Dec. 1

*Interim. †Rate to be declared later.

Dividends Passed:
McColl-Frontenac, com., due Dec. 15—Last paid 10c Sept. 15, 1938.

Week in Wheat

Argentine Pegged Price Relieves Dumping Fears

Minimum So Close to Market That Many Farmers May Hold — Canadian Visible Shows Drop Unexpectedly Early This Season

From Our Own Correspondent

WINNIPEG.—A moderate minimum price in the Argentine, a drop in Canadian visible for the first time this season, and reports of further crop damage in the Southern Hemisphere, all combined to strengthen world wheat markets at the beginning of the week. Even futures at Winnipeg rose above the 60-cent level.

The Argentine Government minimum price to growers of almost 60 cents per bushel, or close to world market values, indicates that there is no intention of taking any heavy losses in that quarter relieving fears of dumping. In fact there is a possibility of farmers in that country holding a considerable portion of their crop in expectation of better open market prices later.

In any case the Buenos Aires market rose nearly three cents a bushel on the announcement. A higher price would have been construed as tending to put the Government into the wheat business and creating dangers of new competition.

Canadian visible dropped slightly last week for the first time since the new crop started rolling into country elevators. Total stocks are now below 180 million bushels. This is unusually early for the peak to be passed, but it is possible that the downward turn is definite. Farm deliveries are getting steadily lighter as bins are cleared and exports have been maintained at a rate higher than anticipated.

Continued reports of deterioration of Australian crops point to light export competition from that country.

Costly Subsidies

It is becoming increasingly evident that recent low international prices are mainly due to the dumping of subsidized exports from various countries. At the end of last week, for example, when Canadian 1 Northern wheat was commanding 78 cents a bushel in Liverpool, United States yellow hard winter wheat was offered at 56 cents a bushel.

That is far below the current market quotation in Chicago, without considering costs or transportation, and it is evident that the United States Government is deliberately taking a loss well in excess of 30 cents a bushel in order to force an unwanted product into overseas markets. U. S. White Pacific wheat was quoted at 64¼ cents a bushel, and on that the export subsidy must have been nearly as great.

Roumanian wheat was offered last week at less than 48 cents a bushel. Roumania has an unusually heavy export surplus this year, but it is doubted if the national treasury can stand the strain of forcing it all into export channels.

French wheat was offered at 54 cents a bushel. On this the French Government must be taking a loss of more than a dollar a bushel, in order to get it out of the country and from interfering with the high domestic prices.

* * *

Fear New U. S. Move

Markets are still disturbed by uncertainties as to what the United States Government may do next. Apparently the present methods of the administration are disappointing, not only as to the quantities exported, but also as to their failure to support domestic prices at a satisfactory level, and in the large quantities of wheat likely to be left in Government hands when the loan programme is concluded.

It is announced that a salesman has been sent to Europe, and the fear is that a still greater measure of dumping may follow. Efforts also are announced to break into the Brazilian market. This would be at the expense of Argentina, and might create unforeseen repercussions.

* * *

Canada Still Selling

In spite of lower offers of subsidized wheat from foreign countries, there is one bright feature of the situation from the Canadian standpoint. This country's wheat continues to be shipped overseas at well over 4 million bushels weekly. It is reaching millers abroad in sufficient quantity to re-establish in considerable measure the habit of using substantial proportions of Canadian wheat in milling mixes.

A good deal of wheat purchased by overseas importers during the recent war scare has had to be resold at a loss. Liquidation of such supplies, considered for a time to be a weakening factor in the market, is believed to be fairly well completed. To that fact is attributed a slight recent strengthening, and there is at last a possibility that this may go further.

DIVIDEND NOTICES

Lake Shore Mines, Limited

(No Personal Liability)

DIVIDEND NO. 75

NOTICE is hereby given that a quarterly dividend of One Dollar per share, on the issued capital stock of the Company, will be paid on the fifteenth day of December, 1938, to shareholders of record at the close of business on the first day of December, 1938.

By Order of the Board.
Kirkland Securities, Limited.
Secretary

Dated at Kirkland Lake, Ontario, November 15th, 1938.

Canada Cement Company Limited

PREFERENCE DIVIDEND No. 27

NOTICE is hereby given that a dividend of One Dollar ($1.00) per share on the Preference Stock of this Company has been declared, payable on the 20th day of December next to Preference shareholders of record at the close of business November 30, 1938.

By Order of the Board.
G. A. RUSSELL,
Secretary.

Montreal, November 15, 1938.

The Bank of Nova Scotia

Dividend No. 276

NOTICE is hereby given that a Dividend of three per cent. on the paid-up Capital Stock of this Bank has been declared for the current quarter to shareholders of record of December 16th, and that the same will be payable on and after Tuesday, the third day of January next, at any of the offices of the Bank in Canada.

By Order of the Board.
H. F. PATTERSON,
General Manager.

Halifax, N.S., November 15th, 1938.

Gatineau Power Company

Notice of Dividend on 5% Cumulative Preferred and Common Stock

Ottawa, Canada, November 7, 1938.—The Board of Directors has declared a quarterly dividend of 1¼% ($1.25 a share) on the shares of 5% Cumulative Preferred Stock of the Company payable January 1st, 1939, to holders of record of such stock at the close of business December 1st, 1938; also a quarterly dividend of Twenty cents ($.20) a share on the Common shares of this Company outstanding at the close of business November 19th, 1938, payable on December 15th, 1938, to shareholders of said class of record at the close of business November 19th, 1938.

Cheques will be mailed. Stock transfer books will not close.

J. R. BINKS, Secretary.

PAYMASTER CONSOLIDATED MINES LIMITED

(No Personal Liability)

INTERIM DIVIDEND NO. 2

NOTICE is hereby given that an Interim Dividend of ONE CENT per Share on the issued Capital Stock of the Company will be paid on January 16th, 1939, to Shareholders of record at the close of business on December 31st, 1938.

In view of the above dividend declaration, it is important that shareholders have their stock registered in their own names. Certificates properly endorsed should be forwarded to the Company's Transfer Agents, The Trusts and Guarantee Company, Limited, 302 Bay Street, Toronto, Canada.

By Order of the Board.
E. L. O'REILLY,
Secretary.

Toronto, November 3rd, 1938.

A. J. PATTISON JR. & CO. Ltd.
Established 1907
CORPORATION SECURITIES
Royal Bank — EL. 5101
TORONTO

DIVIDEND NOTICES

International Petroleum Company, Limited

Notice to Shareholders and the Holders of Share Warrants

NOTICE is hereby given that a semi-annual dividend of 75c per share and a special disbursement of 50c per share, both in Canadian Currency, have been declared, and that the same will be payable on or after the 1st day of December, 1938, in respect to the shares specified in any Bearer Share Warrants of the Company of the 1929 issue upon presentation and delivery of coupons No. 50 at:—

THE ROYAL BANK OF CANADA,
King and Church Streets Branch,
Toronto, Canada.

The payment to Shareholders of record at the close of business on the 21st day of November, 1938, and whose shares are represented by registered Certificates of the 1929 issue, will be made by cheque, mailed from the offices of the Company on the 30th day of November, 1938.

The transfer books will be closed from the 22nd day of November to the 1st day of December, 1938, inclusive, and no Bearer Share Warrants will be "split" during that period.

The Income Tax Act of the Dominion of Canada provides that a tax of 5% shall be imposed and deducted at the source on all dividends payable by Canadian debtors to non-residents of Canada. The tax will be deducted from all dividend cheques mailed to non-resident shareholders and the Company's Bankers will deduct the tax when paying coupons to or for account of non-resident shareholders. Ownership Certificates must accompany all dividend coupons presented for payment by residents of Canada.

Shareholders resident in the United States are advised that a credit for the Canadian tax withheld at source is allowable against the tax shown on their United States Federal Income Tax return. In order to claim such credit the United States tax authorities require evidence of the deduction of said tax, for which purpose Ownership Certificates (Form No. 601) must be completed in duplicate and the Bank cashing the coupons will endorse both copies with a certificate relative to the deduction and payment of the tax and return one Certificate to the shareholder. If Forms No. 601 are not available at local United States banks, they can be secured from the Company's office or the Royal Bank of Canada, Toronto.

By order of the Board,
J. R. CLARKE,
Secretary.

56 Church Street, Toronto 2, Canada.
14th November, 1938.

George Weston Limited

Common Quarterly Dividend No. 36

NOTICE is hereby given that a dividend of Twenty cents (20c) per share has been declared on the common stock of this company, payable on the 2nd day of January, 1939, to shareholders of record at the close of business on the 15th day of December, 1938.

By Order of the Board.
W. H. KEMP,
Assistant Secretary.

Toronto, November 15th, 1938.

UNLOADING IN A HURRY

Modern, high-speed machinery plays a big part in handling Canada's wheat crop. Tractors seed much of it, combines harvest it, trucks haul it to country elevators. When it arrives at the big milling plants for processing into flour, power shovels or scrapers as shown above unload it quickly.

West Probing Wheat Surplus

Seek Solution Through New Uses and Wider Markets

Although Canadian wheat exports this season are going forward at about double the rate of a year ago, western producers apparently are not convinced that their marketing problems are over. Agricultural authorities in Manitoba, Saskatchewan, and Alberta continue to emphasize the necessity of greater and permanent outlets for their main product.

Only adequate markets or guaranteed minimum prices will prevent a very serious dislocation of the entire agricultural industry of Canada, Premier John Bracken, of Manitoba, declared in a recent radio address on the wheat problem.

Need Wider Markets

"I firmly believe it is better, in the national interest, to take those steps which will widen markets for Canadian wheat and bring our production costs down to the point where the West can meet all competition abroad. Such a policy involves material tariff reduction, and, in the meantime, a guaranteed price until markets are available," the premier stated.

The western wheat problem, Hon. J. G. Taggart, Saskatchewan Minister of Agriculture, told a Regina audience the other day, concerns the whole of Canada and not just the Prairie Provinces. "If we would win the support of people in other parts of this Dominion for a sound, constructive and permanent programme," he said, "we must convince them that failure to solve the problem will affect them just as critically as the West itself. That failure to solve it will certainly do injury to the whole country."

Mr. Taggart argued that if it were possible to divert a considerable portion of our 24 million wheat acreage to other crops, there would be direct competition with agriculture in the rest of the Dominion and all would suffer, hence solution was a national problem.

Find Industrial Uses

Next week in Alberta the wheat problem is to be attacked from the industrial angle. A conference headed by D. G. McKenzie, vice-president of the United Grain Growers, will look into possibilities of expanding industrial uses for farm products following the example set by the Farm Chemurgic Council in United States. Across the line considerable progress has been reported in turning soy beans, nuts, corn, cotton, etc. into plastic, paints, motor fuels.

Mr. McKenzie first suggests that a survey be made of present agricultural research, then consideration given to the work accomplished in United States. Mr. McKenzie states that rather than restrict farm production, we should concentrate in the other direction and he is hopeful that through new products and new uses for present products this can be accomplished.

"We have tried to give industry higher prices by restricting the production of factory and shop," says Mr. McKenzie. "We have tried to give labor higher wages by restricting the output of the worker. Now shall we try to make the farmer prosperous by limiting his production? Is our only hope in the future in less from industry, less from labor and less from the farmers with the consequent smaller contribution to public wealth?"

DIVIDEND NOTICES

FORD MOTOR COMPANY OF CANADA, LIMITED

DIVIDEND No. 44

The Board of Directors has declared a cash dividend of twenty-five cents ($.25) per share, payable on all of the outstanding shares of the company on December 17, 1938, to shareholders of record at the close of business November 26, 1938.

D. B. GREIG,
Secretary.

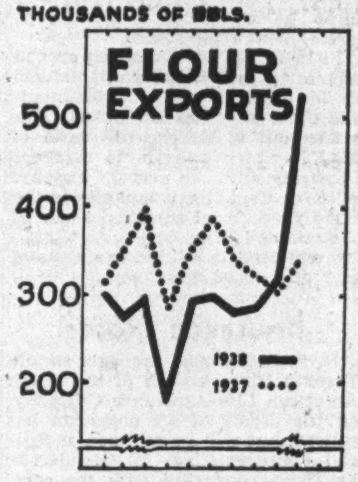
Windsor, Ont.,
November 7, 1938

Canadian Flour Exports Now Staging Big Comeback

Not in five years have Canadian flour exports been as impressive as this fall. An enormous increase was recorded in October and this followed substantial gains in the previous month. Wheat shipments have also been forging ahead with close to 25 million bushels shipped out of the country in October or the heaviest export since 1936.

Total flour exports in October amounted to almost 529,000 barrels. This was a gain of more than 200,000 barrels over September and almost as much over October a year ago and the highest monthly total in years. Prices, however, were the weakest in many years, an average of only $3.36 being secured in October.

Reason for heavier shipment of wheat and flour this fall, of course, is primarily due to the bigger crop and also to the fact that the Canadian Wheat Board is offering exporters and millers supplies at world prices. During October, too, the world was still suffering from the political crisis in Europe and the demand for wheat and flour suddenly rose to very substantial levels. However, even after the crisis exports were maintained on an impressive scale and apparently some former export territory is being regained.



Details of wheat and flour exports are as follows:

Wheat Exports

October:	Quantity Bushels	Value $	Average Export Price $
1935	28,919,421	25,473,602	0.88
1936	26,917,096	28,949,549	1.07
1937	10,055,102	13,273,397	1.32
1938	24,579,370	15,589,901	0.63
Sept., 1938	12,614,858	8,410,294	0.66
12 Mos. end. Oct.:			
1935	158,159,469	129,888,316	0.82
1936	232,923,952	202,814,644	0.87
1937	128,566,609	157,897,738	1.22
1938	97,670,749	93,674,789	0.95

Flour Exports

October:	Quantity Barrels	Value $	Average Export Price $
1935	501,442	2,009,200	4.00
1936	464,013	2,108,920	4.54
1937	336,478	2,024,618	6.01
1938	528,601	1,778,718	3.36
Sept., 1938 .	319,739	1,230,963	3.85
12 Mos. end. Oct.:			
1935	4,756,996	18,196,449	3.82
1936	4,935,332	20,421,670	4.13
1937	4,227,347	23,777,099	5.62
1938	3,812,525	19,816,258	5.06

Wheat Prices

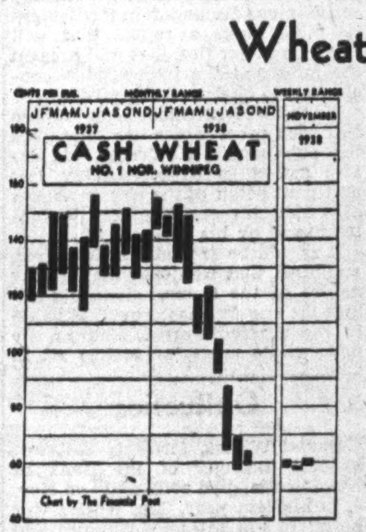


Chart by The Financial Post

(Cash Quotations)

	For Week Nov. 15 High	For Week Nov. 15 Low	Prev. Week High	Prev. Week Low
1 Hard	.61¼	.59½	.58⅞	.57⅞
1 Northern	.61	.59	.58⅝	.57⅜
2 Northern	.58¼	.56	.55	.54¼
3 Northern	.54⅝	.52⅝	.51⅝	.50¾
4 Northern	.47¾	.45⅛	.44	.43⅝
5 Wheat	.42¾	.40½	.39⅞	.38⅞
6 Wheat	.36¾	.34½	.32½	.31⅞
Feed Wheat	.35¾	.33½	.32½	.30⅞

Competitive Export Prices:
Nov. shipments.

	Week to Nov. 15 High	Week to Nov. 15 Low
No. 1 North. (Van.)	.78½	.75¾
No. 3 North. (Atlan.)	.72½	.69¾
No. 2 U. S. Yellow‡	.56	.55½
U. S. White Pac. (afloat)..	.65¼	.63
Argentine Rosafe▲	.62¾	.61½
Argentine Rosafe†	.67½	.66⅝
Rumanian	.49¾	.48
French	.54⅛	.52⅛

‡Hard winters. †New crop shippers' offers Jan.-Feb. ▲Speculative offers.

Winnipeg Grain Futures

Week to Nov. 15, 1938

Crop year from Aug. 1, 1938 High	Crop year from Aug. 1, 1938 Low		Open Nov. 9	High for week	Low for week	Close Nov. 15	Close year ago
		Wheat					
.77¼	.56¾	Nov.	.58½	.60¾	.58⅛	.60¾	1.17⅝
.76⅝	.56	Dec.	.57⅞	.60¼	.57¾	.60	1.13⅜
.79⅛	.60⅛	May	.60⅝	.62⅞	.60⅝	.62⅝	1.10½
.63½	.60¼	July	.62	.63½	.61⅝	.63⅜	1.04⅞
		Oats					
.31⅛	.25¾	Dec.	.27⅜	.27¾	.27	.27⅝	.44¼
.33¼	.27½	May	.28⅜	.28½	.27⅝	.28⅛	.43
		Barley					
.44⅛	.33⅛	Dec.	.34¼	.35¼	.33⅞	.35¼	.57⅜
.44⅝	.34⅝	May	.35½	.36⅛	.34¾	.36	.56⅛
		Flax					
1.38⅝	1.29	Nov.	......	1.38⅝	1.34	1.38⅝	1.72¾
1.41½	1.25¼	Dec.	1.33⅛	1.37¾	1.33½	1.36	1.70
1.37¼	1.29¾	May	......	1.37¼	1.33	1.35½	1.69¾
		Rye					
.47⅞	.36¾	Dec.	.39	.40⅞	.39	.40⅞	.72¼
.47⅞	.39⅛	May	.41¼	.42⅞	.41⅛	.42⅝	.74¼

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Terminal Elevator at Port Arthur
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Over 200 Elevators in Western Canada
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WINNIPEG REGINA · MONTREAL MOOSE JAW · VANCOUVER SASKATOON · TORONTO CALGARY · KINGSTON EDMONTON

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Grain Commission Merchants — Shippers and Exporters — All Grains-Sacked Feeds
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N. M. PATERSON & COMPANY LTD.
Own and Operate
One Terminal Elevator in Fort William
109 Country Elevators
Total Storage Capacity 6,925,000 bus.
31 Vessels on the Great Lakes
Total Carrying Capacity 4,500,000 bus. per trip
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LIMITED
PRIVATE WIRE SYSTEM
GRAIN—STOCK—BONDS
Principal Offices:
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The WESTERN SAVINGS and LOAN ASSOCIATION
HEAD OFFICE: WINNIPEG, MANITOBA
OFFICES:
Agency Building - - - - Edmonton, Alta.
221A 8th Ave. W. - - - - Calgary, Alta.
McCallum-Hill Building - - - Regina, Sask.
411 Avenue Building - - Saskatoon, Sask.

OILS

INCREASED investment interest in Canadian oils and substantial developments affecting the industry, have again created pronounced demand for a complete, up-to-the-minute picture of the present situation in this increasingly important industry. Accordingly, at the end of November, The Financial Post will issue the . . .

SURVEY OF CANADIAN OILS 1939

The book will be complete in every particular. Every field will be covered and all facts checked on the field. In reviewing each operation, details of properties, drilling contracts, royalties, etc., will be given. Maps and charts will illuminate the text.

A valuable reference book for investors, investment houses, executives in the industry, engineers and geologists and manufacturers of machinery and supplies.

Size 6" x 9" — nearly 200 pages.
Price per copy, postpaid $1.00.

-------YOUR ORDER FORM-------

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481 University Avenue, Toronto 2.

Send me............copies of The Financial Post SURVEY OF CANADIAN OILS, 1939.

Herewith $.............in payment.

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Insurance

Safe Motorists in U. S. Get Rebate on Premiums

Safe Driver Reward Plan Being Watched By Canadians—Has Similarity to Former No Claims Bonus

A development in automobile insurance in the United States which is being watched by Canadian underwriters is the Safe Driver Reward Plan. By it a driver who completes 12 months without incurring any losses under his policy is eligible for a return of 15% of his automobile liability insurance premium.

The plan is sponsored by 30 well-known companies and is operative in 34 states and the District of Columbia.

In addition to the return of part of the premium, the plan provides that each winner of a cash reward will receive a gold chevron card which will certify that he has been granted the Safe Driver Reward in recognition of careful driving and consideration for the lives and property of others. It will further state that for this distinguished service to the cause of safety and obedience to the law the recipient has earned the gratitude of the public, the police and civic authorities and the insurance companies.

In New York State the companies which sponsor the Reward system elsewhere use the preferred risk rating plan which gives special rates to drivers with good records.

Similar to No-Claims Bonus

The plan will at once be recognized as having some similarity to the "no-claims bonus" which was in vogue in Canada up till a year or two ago but which was discontinued as being unsound.

There is this big difference, however, that under this plan a reward is given to the careful driver at the end of the 12 months. He has to make good before he gets the reward. The other plan gave him the reward in advance. It was based, of course, on his previous record but it was claimed at the time it was discontinued, that it was subject to a great deal of abuse because applicants for insurance often made false statements and that there was sometimes connivance at these claims by unscrupulous agents. Pressure was often put on a company to give the bonus even though they knew that losses had been incurred during the past year.

It was also claimed that freedom from accident in the past was no guarantee of the future.

No Consideration Here Yet

So far as could be ascertained by The Financial Post there has been no official discussion yet of the adoption of any system such as the Reward here. It is evident, however, that developments across the line and the experience of the companies operating there are being watched closely by individual underwriters here. If it should prove to have any effect in making any drivers more careful or reducing the number of accidents then it will receive more consideration.

A somewhat similar plan is stated to be in vogue in the United Kingdom where a driver is given a medallion to place on his license plate intimating that he has been free of loss claims for a certain length of time. He gets a lower premium rate also.

Cause of Dissatisfaction

At the time that the no-claims bonus was discontinued here, there was considerable dissatisfaction among automobile owners and drivers who had good records extending over several years. Many of them felt that they should not be called on to pay the same rate as the one who possibly had one or more claims in a year.

It was also argued by some that the driver should be insured and not the automobile.

In this connection it may be noted that there is already legislation in Ontario providing for a surcharge on drivers with a high accident rate. This legislation has never been proclaimed.

Surcharge on Premium

Under this plan the automobile driver with a good record is classified in say Class A and is charged the standard rate of premium. One with a poorer accident rate is put in Class B and charged 25% higher premium while those who come in Class C are charged 50% more than the standard rate.

In any case it is felt that the automobile insurance situation is likely to become the subject of intensive study by underwriters shortly.

Confederation Life Sales Up 5% to End of October

New business of the Confederation Life Association for October last is the greatest for the same month since 1930, according to a statement by C. D. Devlin, general superintendent of agencies. New insurance included $3,404,025 ordinary and $418,908 group. New business for the first 10 months of 1938 was 5% over the first 10 months of 1937. The increase came from many countries and provinces including Great Britain, Jamaica, Hawaii, Ontario, Quebec, Alberta, Manitoba, Prince Edward Island, Dominican Republic, Curacao, Puerto Rico, Central America and Straits Settlements. Total insurance in force at October 31 amounted to $418,882,790, of which $385,077,492 was ordinary and $33,805,298 group.

CONTINENTAL LIFE
Four Square Security for You and Your Family
TOTAL ASSETS EXCEED $9,500,000.00
A PURELY CANADIAN COMPANY
ESTABLISHED 1899
President JOHN W. HOBBS
Managing Director NEWTON J. LANDER
FOUR SQUARE

Automobile and General Casualty Insurance
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LUMBERMENS MUTUAL Casualty Company
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37 YEARS
SINCE 1901 NORTHWESTERN MUTUAL HAVE RETURNED MORE THAN 23 MILLION DOLLARS IN DIVIDENDS TO POLICYHOLDERS.
BRANCHES ACROSS CANADA
Toronto, Hamilton, Ottawa, Halifax, St. John, Moncton, Quebec City, Montreal, Winnipeg, Saskatoon, Edmonton, Calgary, Kelowna, Victoria, Vancouver
NORTHWESTERN MUTUAL FIRE ASSOCIATION
NON-ASSESSABLE POLICIES ASSETS $7,683,067

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Makes the Future More Secure
No one knows what the future holds for himself or his dependents.
That is why over 200,000 men and women are policyholders with this Company.
For them Life Insurance is fulfilling a three-fold purpose: providing for emergencies, protecting dependents, and saving toward old age.
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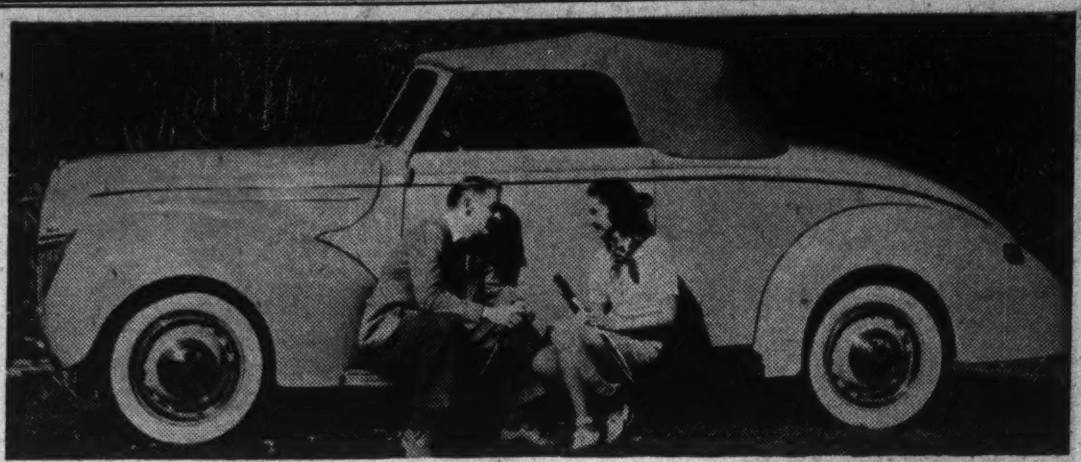
Established 1887



DE LUXE FORD

Further influence of Lincoln-Zephyr is noted in the De Luxe Ford line for 1939. Radiator grille has been lowered, hood lengthened and body is more streamline. Like all the Ford-made cars, this year it is equipped with hydraulic brakes. More testing, greater use of rubber and other insulating materials have made the new cars exceptionally quiet, with engine and road noises effectively blocked out. Among interior improvements are deeper cushions, panelled and tailored to give a smart appearance. Above is the De Luxe Ford V8 Convertible Coupe.

Insurance Problems

Western Empire Life

Will you give me your opinion of the Western Empire Life Assurance Company? I am considering an annuity which they offer. The company, I understand, is comparatively new.

The Western Empire Life Assurance Company was established in 1912. Its head office is at Winnipeg and it does business in the four western provinces. Being licensed by the respective provincial departments of insurance, it must conduct its business in accordance with the requirements of those governments.

It is not a large company, as will be seen by the fact that its risks in force at the end of 1937 were $7.4 millions. This, however, was a gain over the previous year when risks in force were $7.0 millions. Conditions on the prairies, as you know, have not been favorable to business expansion. The improved situation there this year has been reflected in the statements recently issued by the company that new business in October last showed the best record for any one month since 1933. New business in October, 1938, showed an increase of 55% over October, 1937. The company at the end of 1937 had annuities of $20,910 in force. Some 300 new policyholders were gained last year. Total assets on December 31 last were $1,603,000.

Equitable Fire

Would you let me have some information regarding the Equitable Fire Insurance Company?

The Equitable Fire Insurance Company, with head office in Montreal, was established in 1901. It operates in Quebec under license of the insurance department of that province. This means that its books are open to inspection by the government officials and its operations must be conducted according to government regulations.

In 1937 total net premiums earned amounted to $201,736 and total net claims, commissions, adjustments and other expenses to $131,168. This works out at an expense ratio of 65.01%, which appears to compare favorably with the average expense ratio for Canadian companies in the same year. Total admitted assets at the end of 1937 amounted to $1,307,198 and total liabilities, exclusive of capital, to $109,334.

Insurance Notes

H. C. Henderson, manager of the Toronto Bloor branch of the North American Life Assurance Company, on the orders of his physician has retired, but will be retained as Special Representative. Mr. Henderson has been connected with the company since 1911. He will be succeeded by Morley Sparling, who, like Mr. Henderson, came up from the field force and like him has been a top ranking club member. He joined the company in 1931 and has recently been district manager at Oshawa.

* * *

At the annual convention of the Mutual Underwriters Association at Chatham, Ontario, recently, Wm. Attridge was re-elected president of District No. 1. Other officers elected were vice-president, Walter Holmes, of Dresden; secretary-treasurer, Wm. Forbes, of Wyoming; directors: A. E. Robinson, of Charing Cross; J. L. McMillan, of Rodney, and Burrell Harris, of Chatham. Bruce McNevin, M.P. of Omemee, president of the Ontario Mutual Underwriters Association, addressed the convention. Insurance of pasteurization plants was one of the topics of discussion and it was felt that a special rate of insurance should be set for buildings housing pasteurization plants.

* * *

P. F. Foss has been appointed manager for Canada of the United Mutual Fire Insurance Company of Boston and the Liberty Mutual Insurance Company, with head office at Toronto. Mr. Foss was formerly district manager of the United Mutual Fire for New England.

* * *

S. Eckler, formerly of the Empire Life Insurance Company, of Kingston, has been appointed to the staff of S. H. Pipe & Co., consulting actuaries.

Plan for Final Stage Of Bren Gun Enquiry

Counsel and others participating in the enquiry into the Bren machine gun contract this week were preparing for resumption of the probe on Nov. 21.

Final sessions of the Royal Commission investigation will be devoted to hearing of argument by counsel for the Government, the John Inglis Co., holder of the gun contract; and The MacLean Publishing Co. The enquiry was precipitated by publication in Maclean's Magazine of an article by Col. George A. Drew entitled, "Canada's Armament Mystery."

Taking of evidence was concluded last week, and an adjournment ordered by Mr. Justice Davis, presiding commissioner.

In the meantime, comment on the proceedings and implications of the investigation continues to feature the editorial pages of Canadian newspapers. Excerpts from this comment are given below:

Politics in Defence Dept.
Ottawa Citizen

Evidence has been brought out before the Royal Commission of Enquiry into the Bren machine gun contract fully to warrant a public demand for drastic reorganization in the Department of National Defence as well as for a more enlightened defence policy on the part of the Government . . .

It has been made plain that political patronage and profit influences operate at the expense of the public interest. The cash nexus of politics may place the security of Canada in jeopardy . . .

Much of this early testimony has doubtless been forgotten, but it does serve to show that the Department of National Defence, as it is at present administered, cannot be relied upon to give this country anything like value for an expenditure of $35,000,000, let alone an increase to $50,000,000 . . .

In recent weeks, as well as tending to befog the enquiry with much irrelevant matter, inspired statements have been circulated through the Canadian press from unidentified sources . . . About the most pathetic argument has been that the Royal Commission of Enquiry exposed "military secrets of the most far-reaching importance" to pitiless publicity.

Apparently the Canadian people are expected to believe that something hitherto unknown to an enemy country or to foreign spies, about the state of national defence in Canada, has been disclosed before the royal commission. This smoke-screen to shield incompetence would be laughable but for the reminder that a similar screen during the last war held up the exposure of the Ross rifle scandal while Canadian men's lives were being sacrificed . . .

Happily for Canada the Bren machine gun contract can be exposed to the light without allowing patronage politics to hide behind that smoke-screen. Before parliament is asked to vote next year's defence estimates, it would surely behoove the government to give the Canadian people assurance that an end has been made of the rotten state of political patronage as it has evidently been operating under the policy of awarding armament contracts to people with an inside track into the public treasury.

Heavy Responsibility
Ottawa Journal

Few would want the task that now faces Mr. Justice Davis, or the responsibility that is his . . . In the knowledge that the case will be the subject of prolonged and probably acrimonious discussion in Parliament he must make a report that will stand up under fire, that will present the facts and the indisputable conclusions to be drawn therefrom.

We think Mr. Justice Davis in these extended proceedings has impressed the public by his fairness, his determination to explore every last pertinent detail of the circumstances attending the making of this contract, and by his patience.

It should be said also at this time, we think, that whatever may be the nature of the Commissioner's findings the enquiry has proved of value to the public interest. And as the man whose magazine article set in motion the forces that have produced these masses of evidence Colonel George Drew can have nothing to regret.

Enquiry Amply Justified
Winnipeg Free Press

As the evidence in the Bren gun enquiry draws to an end public attention may be usefully drawn to a few more aspects of the situation, all of which suggests that this Royal Commission is one that has amply justified its existence. Who would have said, a couple of months ago, that the circumstances surrounding the munitions contract were anything like what they have since been shown to be? This is something which reflects credit neither upon the Minister of National Defence nor his officials. Was this curious relationship between Major Hahn and the Department of Defence of the nature of a "war secret" which could not be disclosed without imperilling national security? Not at all. It could have been revealed to the House of Commons just as readily as all the facts that actually were disclosed. But they were not. It took a Royal Commission to dig them out . . .

The enquiry is not just a mischievous investigation. It is designed to prove to everyone's satisfaction that the conditions under which Canadian rearmament is being conducted are just and efficient. Very large sums of money are involved and the taxpayer is entitled to see that he gets his full money's worth. He is entitled also to investigate, when he sees fit, the circumstances under which his money is being spent. All these activities of the taxpayer can work to the improvement of price and service in our armament programme. So far as that effort is a joint one with the British Government, the British will profit by such efforts here . . .

The British, quite properly, are annoyed at finding themselves on the fringe of a first-class domestic row, but that is the fault of those persons who, when the Bren contracts were being signed, concealed essential facts from the public. Those facts are now emerging with explosive effect, and it is all for the best that they should, both for the British and for ourselves.

As for the suggestion that Canada cannot rearm without British co-operation, the proposition has only to be considered in order to be laughed at. The permanent official who put this idea out may think it wise and prudent to have British co-operation. But to say it is impossible to do without it is simply absurd.

Skirts of Parliament
Windsor Star

When Hugh Plaxton, M.P., appeared to give evidence before the Davis Bren Gun Enquiry, the Toronto Liberal explained that he had certain rights and privileges as a member of parliament. He maintained that he was not compelled to submit to the jurisdiction of the Commission. . . .

Surely, Mr. Plaxton does not intimate that M.P.'s should be given the boon of hiding behind the skirts of Parliament. He should be as anxious as anyone to let the full white light of facts illuminate the Bren dealings.

Obituaries

Daniel Waters, formerly assistant general manager of the Bank of Nova Scotia, died at Toronto on Nov. 9, in his 84th year. Mr. Waters was born in Middlesex county and joined the bank in 1879, at St. John. He was appointed assistant general manager in 1906 and retired in 1917.

W. W. Thompson, partner in the stock brokerage firm of Drury and Thompson, of Montreal, died in that city on Nov. 13. Mr. Thompson was a native of Ingersoll, Ont. He served with the Merchants Bank there and at Stratford, Ont., before going to Montreal. He was 48 years of age.

W. J. Tozer, sales manager for Canada for Kimball & Co., manufacturers at Montreal, died Nov. 13 at Toronto in his 64th year. Born in Toronto, Mr. Tozer was with Gordon MacKay & Co. for 11 years, later being in business in Clinton and Bracebridge before joining Kimball & Co.

Sun Life Purchases Consold. Edison Bonds

From Our Own Correspondent

MONTREAL.—Sun Life Assurance Company of Canada purchased at 104, $1 million par value of the 3½% first mortgage bonds, due June 1, 1968, issued by the Commonwealth Edison Co. of Chicago.

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Indus. Alcohol Pays Dividend

Profits for Year Ended Sept. 30 Will be Lower

From Our Own Correspondent

MONTREAL. — Canadian Industrial Alcohol Co. has declared a dividend of 10 cents a share on its class A and B stocks, payable Nov. 30 to shareholders of record Nov. 21. This is the first dividend payment since Jan. 15, 1930, when 38c. a share was paid.

The company has 988,480 shares of class A stock and 123,436 shares of class B stock outstanding. Thus, the dividend will require a disbursement of $111,192.

In the 1936-37 report, Hon. Gordon W. Scott, president, stated it was the view of directors that future operations of the company constituted the only source from which shareholders could look for dividend disbursements. He stated it would be the policy of directors, if and when profits resulted from operations, to pay same out to shareholders. Thus, the 10-cent dividend reflects profitable operations in the year ended Sept. 30, 1938.

Details of the results of operations in the year ended Sept. 30, 1938, not available as yet. However, in the nine months ended June 30, the company had a net profit of $208,800, after providing for depreciation and interest. This indicates profits will be substantially lower than in the 1936-37 year, when the company had a profit of $545,120 after all charges, including provision of $250,000 for contingencies. Profit in 1936-37 was equivalent to 49c. a share on the class A and B stock.

No announcement has been made by the company as to the amount of 5% debentures which have been purchased. In September, the company made an offer to holders to purchase debentures at 90% of the face value, plus accrued interest.

At Sept. 30, 1937, the company had $2,531,309 of its debentures outstanding, but this was reduced to $2,314,339 on Nov. 15, 1937, by the reduction of 30c. per debenture. At the end of the 1936-37 fiscal year the company enjoyed a strong working capital position, current assets exceeding current liabilities by $5.5 millions. Cash, guaranteed call loans and investments amounted to $1.5 million.

Plan Higher Rates On Group Pensions

Group pension premium rates are likely to be raised shortly by some of the life companies, it is stated on good authority. This move has been anticipated for some time and has been forecast in The Financial Post. Low interest rates and more favorable mortality are the reasons behind it. As far as can be seen at the moment there is little prospect of any improvement in the interest rate while people are living longer to draw their annuities. If some day interest rates should rise, an adjustment could be made on the premium by dividends.

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Pulp and Paper Industry

Great Lakes "Threat" Overcome

Co-operative Policy Wins Out — Will Strengthen Rationing Scheme

From Our Own Correspondent

MONTREAL.—The newsprint security market was a little shaky over the past week. The breaking of the news that Premier Hepburn had issued an ultimatum to Great Lakes to agree to the prorationing of tonnage on threat of divers penalties and the resignation of C. H. Carlisle, president of the company, combined to make for uneasiness.

In the last 6 or 7 years the newsprint industry has been faced with serious difficulties, not a few of which were of its own making. There has been a necessity for co-operative action. The majority of the operators have recognized this and worked together on a common policy. Such a policy to be effective and lasting naturally must have the support of all. The fact that Great Lakes and Ontario Paper were outside the fold did not make for harmony.

Ontario Paper Case

The case of Ontario Paper is different from that of Great Lakes and did not cause the annoyance the latter did. Ontario Paper is privately owned and its production is shipped to newspapers owned by the same interests. The company is not in the open market and its actions, therefore, are not of direct concern to the industry.

While there is a desire to have Ontario Paper in the "fold," it was a pressing need in the case of Great Lakes. If that company were to continue its lone wolf policy than the whole co-operative scheme stood in danger of tumbling down.

Brought to a Head

Probably the Great Lakes matter would have continued in abeyance had it not been for the underwriting of a new contract. It is understood that Great Lakes was about to take on a Milwaukee contract, amounting to something over 20,000 tons annually, now held by Minnesota and Ontario. The business was to be taken on the basis that the Milwaukee contract would be pari passu with the other newspaper contracts held by Great Lakes.

It will be recalled that at the time of the reorganization of Great Lakes, its rehabilitation was made possible by the signing of a number of contracts with publishers in the midwest area, in return for which a block of stock was "loaned" to them. Under certain conditions dividends would be paid on this stock; said dividends being in effect a rebate, concession or price cut, whichever way it was looked at.

Supported by Ontario

This arrangement was sanctioned by the security holders, and also by the Ontario Government. The latter was a strong card in the hands of Great Lakes management which has consistently fought against participation in the co-operative scheme of the industry.

The Milwaukee contract brought things to a head. No one knows publicly what arguments or inducements were brought to bear upon Premier Hepburn to bring pressure on Great Lakes. Whatever it was, it was sufficient to make Ontario's premier take a definite stand and bring about a show-down with Great Lakes.

The strongly individualistic characteristics of C. H. Carlisle, president of Great Lakes, are well-known. One of two courses was open to him: Knuckling down to Hepburn's edict or open warfare with the Ontario Government and the rest of the industry, or at least that part of the industry opposed to his individualistic policy.

Threat to Stability

At this point the situation was rather precarious for the continued stability of the industry. An open conflict was in prospect, implying the collapse of all the co-operative work that has been done over the last three or four years. For this reason those in touch with the situation were disturbed at the possible outcome of the dispute.

For reasons not yet made public Mr. Carlisle has tendered his resignation as president of the company. One report is that the board would not or could not support him in his policy which, if continued, would bring the company in open conflict with the Provincial Government. There is no official confirmation of this story.

Will Support Policy

It is assumed in view of the resignation of the president, the company will line up with the rest of the industry.

The passing of the "crisis" brought in its wake a reaction in the stock market. A more confident tone was apparent immediately and the majority of newsprint issues advanced in value.

Seasonal Gain For Newsprint

Increased Shipments to States Are Mainly Responsible

From Our Own Correspondent

MONTREAL. — Canadian production and shipments of newsprint in October continue to rise seasonally to the highest levels of the year, according to report released by the Newsprint Association of Canada.

Canadian production was 264,872 tons, against 231,940 tons in September, and 312,220 tons in October, 1937. Shipments were 255,100 against 230,346 in September, 300,815 a year ago. As production and shipments were almost identical, there was only a nominal change in stocks held by Canadian manufacturers.

Production and shipments of American and Newfoundland mills also rose, but to a lesser extent, during the month.

Total stocks held by all North American manufacturers at October 31, were 2,982 tons less than at September 30, but were slightly above the seasonal normal which fell during the month.

Increased shipments from Canada to the United States were mainly responsible for this improvement; increasing by 27,133 tons to 198,889 tons; a figure 28.8% below last year, while overseas shipments fell by 3,569 tons.

October advertising linage in United States newspapers was 15.9% below October, 1937. This compares with 11.4% in September.

Bright Redeems Preference

T. G. Bright & Co. has advised the Montreal Curb market that 150 preference shares have been purchased for redemption. There were 7,811 preference shares outstanding as at July 31, 1938.

—Canadian Airways photo.

This air view of Shawinigan's Rapide Blanc plant on the upper St. Maurice River is a study of power and pulp.

Industry Sets New Mark In Returns for Past Year

From Our Own Correspondent

MONTREAL. — Pulp and paper produced in Canada last year had a value of $226,255,915 according to the Dominion Bureau of Statistics. This is the highest figure recorded since 1929 and compares with $185,144,603 in 1936. The gain over 1936 was equal to $22.2% and over the low year of the depression, 1933, 83.3%.

The following table shows the gross production and the change from the preceding year 1929 to 1937 inclusive:

Year	Gross Production	P.C. Change (a)
1929	$243,970,761	+ 4.7%
1930	215,674,246	—12.0
1931	174,733,954	—20.0
1932	135,648,729	—22.4
1933	123,415,492	— 9.0
1934	152,647,756	+23.7
1935	159,325,546	+ 4.4
1936	185,144,603	+16.2
1937	226,255,915	+22.2

(a) From preceding year.

Net Value Jumps

The net value of production, compiled by deduction of cost of materials and supplies, fuel and electricity, from the gross value of products, was $106,013,221 in 1937, the best since 1929 when it was $121,739,922. Last year's figure was up 21.6% over 1936 and 86.4% over 1933, but still 19.5% under 1929.

The Dominion Bureau of Statistics states that if operations in the woods were taken into consideration, the total value to Canada of the industry as a whole may be considered as the sum of the values of pulpwood and pulp exported and the gross value of paper products. This total in 1937 was $229,789,483 as compared with $187,377,770 in 1936.

A total of 98 mills operated in 1937, five more than in the previous year. Newsprint made up 84.5% of the total reported tonnage of paper manufactured last year — namely, 3,763,886 tons out of 4,345,361.

Total capital invested in the manufacturing part of the industry in 1937 was $570,352,287, compared with $539,350,001 in 1936, an increase of 5.7%. The greatest increase occurred in Quebec where higher values in land, buildings, and machinery, raised the total capital despite a decrease in operating capital.

Total number of employees on salaries and wages in pulp and paper mills in 1937 was 32,101, and total payroll was $48,657,795. This compares with 30,054 workers in 1936 and salaries and wages totalling $40,063,852.

May Readjust Interest Rate

Canada Dairies Bondholders to Consider Settlement of Default

A meeting of the 6% bondholders of Canada Dairies Ltd., has been called for Dec. 5, when plans for readjustment of the company's funded debt will be presented.

If the plan is approved the coupon rate on the first mortgage bonds, of which there were $126,900 outstanding at March 31, 1937, will be reduced to 5% and unpaid interest to Jan. 1, 1939, will be cancelled. Interest on the bonds was defaulted on July 1, 1938.

A sinking fund commencing July 1, 1941, would be provided, as follows: July 1, 1941, $4,000; July 1, 1942, $4,500; July 1, 1943, $5,000; July 1, 1944, $5,500; each July 1, thereafter, to maturity, $6,000.

Proxies may be obtained from the London and Western Trusts Co., Toronto.

In the year ended March 31, 1938, the company, a subsidiary of Dairy Corporation of Canada suffered greatly from labor trouble, and as a result sales declined approximately $100,000 from those of the previous fiscal year.

Algoma Steel Meeting Considers Board Change

A special general meeting of shareholders of Algoma Steel Corp. is being held on Nov. 21, 1938, at Sault Ste. Marie. At the meeting shareholders will discuss the advisability of increasing the board of directors from seven to eleven, increasing the executive committee from four members to five, and setting a quorum of directors at five.

The company's shares, preferred and common, have just been called for trading on both the Toronto and Montreal Stock Exchanges.

West Kootenay Power Sells Mortgage Bonds

From Our Own Correspondent

MONTREAL. — West Kootenay Light & Power Co., subsidiary of Consolidated Smelters, is reported to have sold to the Sun Life Insurance Company of Canada, $2.5 millions of bonds, the proceeds to be used in connection with the company's plans for an increase of about 50,000 h.p. in its development on Kootenay River.

Newsprint Balance Sheet

	October 1938	October 1937	Year to Date 1938	Year to Date 1937
Production				
In Canada	264,872	315,477	2,169,532	3,051,527
In Newfoundland	23,906	28,470	212,005	297,862
In U.S.A.	72,827	78,468	665,810	785,802
Total	361,605	422,415	3,047,347	4,135,191
Shipments				
From Canada	255,100	338,215	2,026,103	2,952,084
From Newfoundland	27,284	40,190	200,635	268,827
From U.S.A.	72,203	72,251	662,325	772,251
Total	354,587	450,656	2,889,063	3,993,162
Shipments from Canada				
To U.S.A.	198,889	279,310	1,500,390	2,341,638
To Canada	14,153	19,005	128,045	170,553
Total	213,042	298,315	1,628,435	2,512,191
To overseas	42,058	39,900	397,668	439,893
Total	255,100	338,215	2,026,103	2,952,084
Shipments to U.S.A.				
From Canada	198,889	279,310	1,500,390	2,341,638
From Newfoundland	6,217	12,690	46,639	87,597
Total	205,106	292,000	1,547,029	2,429,235
From U.S.A.	72,187	72,198	662,091	767,739
Total	277,293	364,198	2,209,120	3,196,974
Shipments to Overseas				
From Canada	42,058	39,900	397,668	439,893
From Newfoundland	21,008	27,471	153,542	180,753
Total	63,066	67,371	551,210	620,583

Stocks: North America—1938 Compared with "Normal"

	1938	"Normal"	Tons over or under "Normal"
All manufacturers:			
End of August	281,809	283,190	1,381 Under
End of September	271,892	280,843	8,951 Under
End of October	268,910	266,552	2,358 Over
U.S.A. publishers:			
End of August	437,493	337,253	100,240 Over
End of September	419,796	341,211	78,585 Over
Aggregate total:			
End of August	719,302	620,443	98,859 Over
End of September	691,688	622,054	69,634 Over

Paper Output 29% Under '37

Newsprint Service Bureau Reports Returns Up to Date

From Our Own Correspondent

MONTREAL.—Newsprint production recorded a gain during October. According to the Newsprint Service Bureau, output in Canada amounted to 264,872 tons and shipments, 255,100 tons. This compares with a production of 315,477 tons and shipments of 338,215 tons for the same month last year.

Production in the United States last month was 72,827 tons and shipments 72,203 tons, while for the same month last year American mills turned out 78,468 tons and shipped 72,251 tons.

During October, 23,906 tons of newsprint were made in Newfoundland, as against 28,470 tons a year ago.

Total North American production for October amounted to 351,651 tons, as against 422,299 tons for the same month last year.

Down From Last Year

Canadian mills produced 881,995 tons less in the first 10 months of 1938 than in the same period of 1937, a decrease of 28.9%. The output in the United States was 118,826 tons, or 15.1% less than in the first 10 months of 1937, and in Newfoundland 85,857 tons, or 28.8% less. For North America as a whole, production was off 1,086,678 tons, or 26.6%.

Stocks of newsprint paper at the end of October were reported at 196,283 tons for Canadian mills and 18,590 tons for United States mills, making a combined total of 214,873 tons. This compares with 214,477 tons on September 30, 1938, and 109,009 tons at the end of October, 1937.

East Kootenay Power Seeks Extension of Rights

From Our Own Correspondent

MONTREAL. — East Kootenay Power Co., subsidiary of Power Corp. of Canada, has applied to the British Columbia Government for a license to take and use 1,000 cu. ft. per second and store 5,000 acre-ft. and also for a license to store 30,000 acre-ft. of water out of Elk River, at Phillips Canyon.

The company has petitioned that the certificates of approval may be further amended by extending the time for the commencement of the construction of the work to Dec. 31, 1942.

The application of the company is to cover rights already held.

Can. Intn. Invest. Trust Reduces Dividend to 50c

From Our Own Correspondent

MONTREAL.—Canadian International Investment Trust has reduced its dividend. The directors have declared a payment of 50 cents a share on Dec. 1 next, to shareholders of record Nov. 15. This compares with previous payments of $1.25 a share in the two preceding quarters of the company's fiscal year.

Regular quarterly dividends at the rate of $5 per annum have been paid on the 5% preferred stock since June 1, 1937. Payments are still in arrears to the extent of $22 a share as of Nov. 30, 1938.

Rayon Producers Cut Price $5 a Ton

From Our Own Correspondent

MONTREAL.—Canadian producers of rayon pulp announce a reduction of $5 a ton, according to the Paper Trade Journal. Rayon pulp is currently quoted at $80 a ton, compared with $97.50 for the early part of 1938, and with $72.50 a ton in 1937.

Only two operators in Canada are manufacturing rayon pulp: Fraser Companies and Canadian International Paper.

Crown Zellerbach Gets $10 Millions Bank Loan

From Our Own Correspondent

MONTREAL.—Crown Zellerbach Corp., large U. S. paper manufacturer, has entered into an agreement for a long-term $10 millions bank loan. The loan bears interest at 3½% and matures in five to ten years.

Proceeds of the loan are to be applied to redemption of $9,927,500 principal amount of first mortgage bonds of Crown Willamette Paper Co. These bonds are being redeemed Jan. 1 next.

The bonds were assumed by Crown Zellerbach when it acquired Crown Willamette in March, 1937.

The first of the notes issued in connection with the $10 millions loan will mature March 1, 1943, which is subsequent to maturity of other long-term bank loans of the company. Loan arrangements call for an earlier retirement of this debt than if the bonds had been left outstanding. The loan is to be retired by the end of 1948 while maturity dates of the bonds is Jan. 1, 1951.

York County, Ont.—On the basis of a nine-months interim report of the county, it is estimated that a balanced budget will be secured for the sixth consecutive year. Out of a total budget for the year of $996,423, the actual expenditures for the nine months was $886,976, leaving an unexpended portion of $109,447. The year started with a surplus of $22,913 carried over from 1937.

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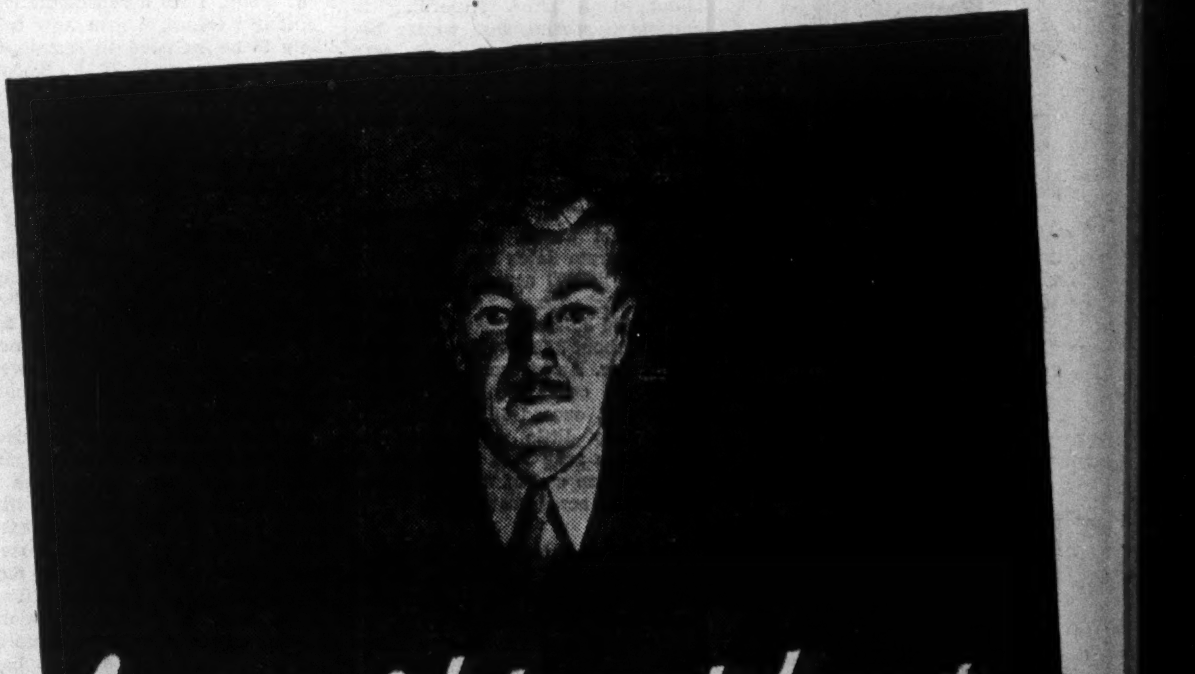
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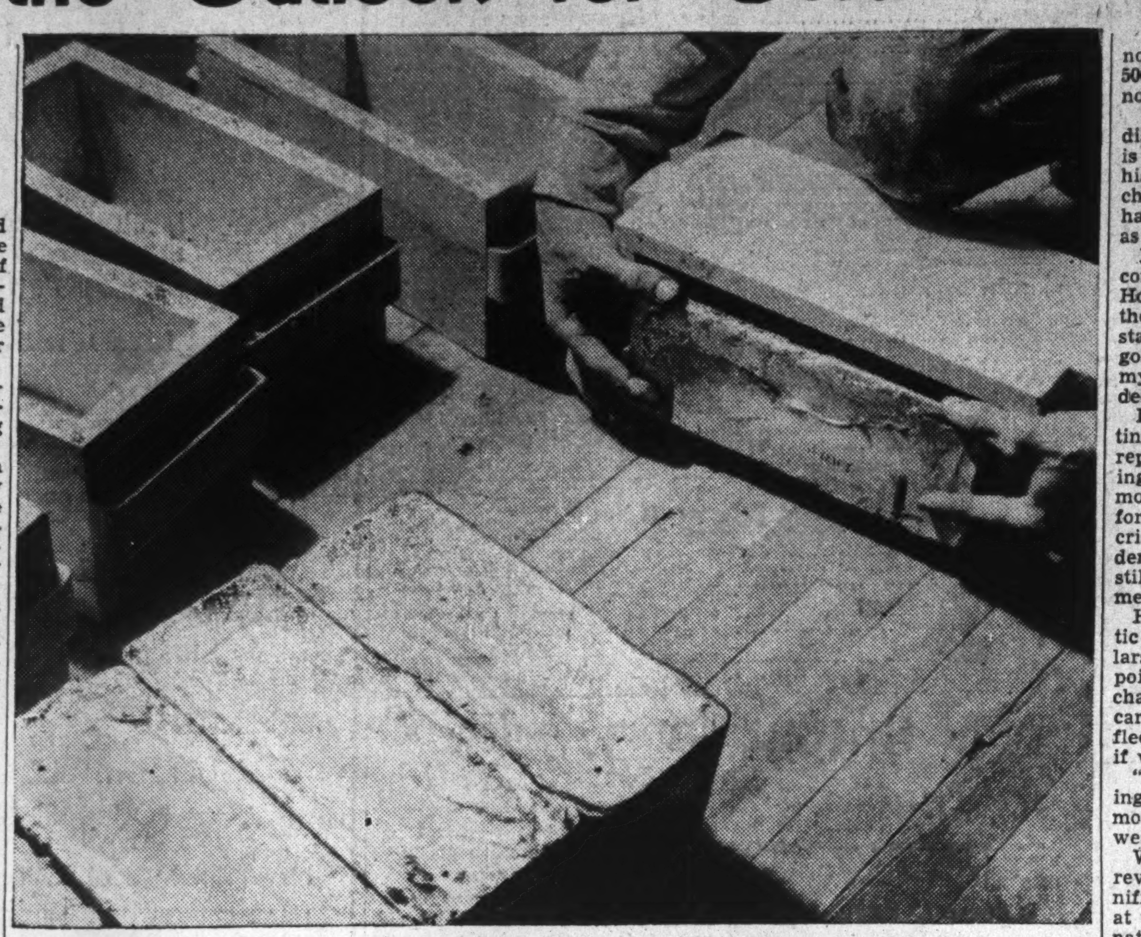
Has the Outlook for Gold Changed?

Nazi Trade Drive and U. S. Election Are New Factors

By RONALD A. McEACHERN
Staff Writer, The Financial Post



Gold means $145 millions a year to Canada.

A $5 increase in the price of gold would mean extra income to the Canadian gold mining industry of some $25 millions per year at present rate of production. It would stimulate exploration and hence create even greater new wealth for this country.

What are the chances for any increase in the gold price? Is Canadian mining justified in expecting or hoping for it?

Several things have happened in recent weeks which have probably introduced new factors into the gold outlook. The Chamberlain-Hitler arrangement especially indicates the wisdom of taking another look at the future of gold.

For gold, the most significant thing about the Munich "peace" is, perhaps, that it cleared the way for Germany to go ahead with her drive for economic domination of central Europe.

Already, to a considerable degree, Germany has been exporting down the Danube. Most of it is on Germany's barter system whereby goods are exchanged for goods, and the inconvenient—for Germany—necessity of putting up cash is obviated.

Germany Hunts Trade

Central Europe cannot be expected to take too kindly to the German plan. The wise trader does not like tying his own hands. He prefers to remain in a position to bargain with anybody who will give him the best deal.

Germany, however, has vast diplomatic pressure to exert through these countries and the Munich settlement has strengthened her hands.

And here is how gold may be affected. It is conceivable that the trade war for the central European market might induce Britain and United States to hoist the price of gold to improve their bargaining position and help maintain both their trading and political position in that area.

Nor is it only the German drive in central Europe that points to this possibility. Germany is also making a forceful push for South American markets. Fascism or something pretty close to it has appeared in more than one of those countries. This is a market United States is very anxious to keep for herself.

Japan is closely associated with Germany in political outlook. She is making it very clear that she does not want American or British traders in her Chinese provinces. Observers are now saying that if there is an "open door" in China it will likely be open, not to the world, but to Japan and her friends, Germany and Italy.

Hence on both sides of the globe there is a "choosing up sides" by democratic and fascist states. The democrats have the gold. Once the trade struggle begins between these two groups, it can be expected that gold will be an important weapon in that struggle.

U. S. Election

Do the results of the recent United States election tell anything about the gold outlook?

Over the past year, Roosevelt and associates have clearly lost much of their callithumpian zeal for the bewildering of business. The recent elections merely add to the growing confidence that business-baiting is on the wane.

But the United States debt still climbs. So does the United States gold hoard. Rearmament and relief work may, for some time, keep the American machine humming. What then? What happens if two years from now, when the presidential race is on, business is lagging, and debt is piled far higher than today?

That great stock of gold is going to be a terrific temptation. By the stroke of a pen, huge chunks could be carved off the U. S. debt and off the carrying charges.

As for lowering the price of gold, that form of political and, likely, economic mayhem is not even considered by any of the gold economists.

The price of gold has been going up for more than a thousand years. In 1250 A.D. it was worth about $4 an ounce. By the time of the Wars of the Roses, 1460, gold was worth about $9.80. England's King Edward IV was hard-pressed for money, so he took the usual and easiest way out, currency devaluation. Less than a century later, around 1550, King Henry VIII—he of the many wives—again took the easy way to finance his policies. Gold mounted to $14.60 per ounce.

The Bank of England was formed in 1694 and the gold standard introduced two years later. Gold soon found its level at around $22 and has stayed there, save for a short, sharp rise during the Napoleonic wars, ever since. For not quite 250 years the gold price has done little moving.

Had the gold price followed the normal trend line of the preceding 500 years, the price of gold would now be just about $61 an ounce.

This is reaching into a dim and distant past. But the present decade is just a little speck in the stream of history. Neither man nor his needs changes very greatly. What has happened should not be wiped out as of no importance whatever.

But is there any doubt about the continuing monetary value of gold? How about these people who say the world should forget about gold standards, that the importance of gold as a currency base is just a mysterious snare and an ancient delusion?

I put that question to a distinguished economist. This was his reply: "That argument has been going on for centuries. But gold is more valuable now than ever before. Take the recent European crisis. Do you need any more vivid demonstration that business at large still considers gold as the fundamental form of wealth?"

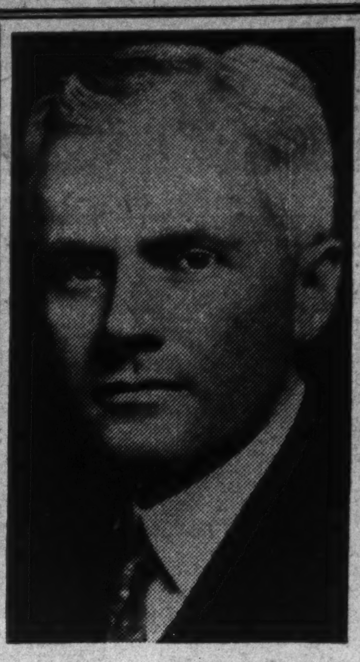
He pointed to the weeks of frantic buying of U. S. gold-backed dollars among worried Europeans. He pointed to the hundreds who exchanged their wealth for gold and carried home their bricks ready to flee, their wealth in their suitcases, if war developed.

"Nothing could be more convincing," he said, "that gold is still the most trusted ultimate form of wealth."

When will the gold standard be revived? As to that, one very significant pronouncement was made at the annual meeting of the International Chamber of Commerce recently held in Paris. There a petition signed by the representatives of 23 nations urged immediate return to a gold standard.

It would be surprising if there is anything in rumors that the long-expected trade treaty between the U. S., Great Britain and Canada will have clauses relating to currency revaluation. If some currency agreement is in the making, it is likely to come separately.

Britain has already won a 5% trade advantage all across the market because her pound is down from $5 to around $4.75. Official pegging of the pound at that figure or lower by any clause in the trade treaty would be politically improbable in view of the expected protests of American industry which will find its tariff barriers lower.



"Z" NICKEL MAKER

Dr. Paul D. Merica, vice-president of International Nickel Co. of Canada and noted research authority on alloys, has just announced the development, after six years study, of a new material known as "Z" nickel with strength comparable with that of steel. Dr. Merica was recently awarded the 1938 John Fritz Gold Medal for his outstanding work in the field of alloys.

Eldorado Raises Its Mill Capacity

Milling Resumed Nov. 8 After Three-week Shutdown

Mill capacity at Eldorado's Great Bear Lake property has been stepped up more than 35% through addition of new equipment, according to information received from Mine Manager E. J. Walli. A shutdown of three weeks caused by the installation of new equipment was ended on November 8, and it is estimated the mill can now handle 100 to 125 tons daily.

Four types of pitchblende (radium, uranium, silver and cobalt) concentrates are being produced by gravity methods and silver-copper concentrates by flotation. Two new jigs, classifier and cone crusher have been added as well as miscellaneous equipment.

Plans call for a gradual stepping up of production. A new flow sheet is being worked out and at least 30 to 60-days operation will be required to indicate the exact effect on production and on percentage of recovery which will also be improved by the changes.

Empire Mercury Mines is producing steadily with its 10-ton mercury furnace. Nine tunnels have been driven to date with a total footage of 2,400 ft. Cinnabar ore has been located in sheared bands in greenstone and sediments in an area about 2,000 ft. long and 1,400 ft. wide.

Canadian Malartic Gold Mines has declared interim dividend of 3 cents, payable Dec. 20, to shareholders of record Dec. 5.

Golden Trinity Gold Mines may carry out programme of diamond drilling following completion of magnetic survey on company's Little Long Lac property. It is estimated five to ten thousand feet of diamond drilling will be necessary to test favorable zones.

Turner Valley Termed Great World Oil Field

Dr. Hume Reports Survey Traces Structure Northwest Giving Known Length of 30 Miles — Home Buys More Land!

From Our Own Correspondent

CALGARY.—The frequent assertion of The Financial Post that a magnificent future appears to lie ahead for the Alberta oil industry, has been amply confirmed by the words of Dr. G. S. Hume to the western meeting of the Canadian Institute of Mining and Metallurgy.

Dr. Hume, member of the Dominion Geological Survey staff, who has given more study to Alberta oil structures than any other single man, stated that Turner Valley now definitely ranks among the great oil fields of America.

Outlining results of his six months study of the north end of the field during the past summer, Dr. Hume indicated that the length of Turner Valley would appear to be 30 miles, not 12 or 15 miles as generally believed. If Okalta 6 proves to be an edge well, the field will be about 1¾ miles wide.

If such are its dimensions, the Turner Valley field would take in about 33,640 acres. According to experts appearing last winter before the tariff board, each acre should produce around 20,000 bbls. of oil. On that basis Turner Valley field could produce 672 million bbls. of oil.

* * *

East Texas Largest

The largest oil field in the world is in East Texas, which includes four separate fields and takes in a total of 133,000 acres. In 1937, the entire East Texas field produced 171,336,854 bbls. of crude from 24,382 wells. About 3,500 wells are making salt water. Apart from East Texas, there are only a couple of other fields that exceed 10,000 acres. To date, very little exploration has been done save in a small area in the southern end of the field where some 7,400 acres are proved.

* * *

Dr. Hume stated that in his recent survey he had traced the Turner Valley structure west and north from near the old Model wells. His party followed it thence seven miles northwest of the Home No. 2 well now drilling and regarded as the most important test in the field. From that point he said the structure dips and, lacking further outcroppings, further trace from surface could not be had.

* * *

Hume to London?

Pressure on the Dominion Government to send Dr. G. S. Hume to London as spokesman for Alberta Oil interests is reported here. It is pointed out no one is in a better position to give authoritative and impartial information.

It is known that the Department of National Defense and the British Admiralty is very interested in Alberta oil development. This is one reason why the Dominion Government would send a representative.

Another technical man now said likely to be included on any deputation to London is W. F. Knode, chairman of the Conservation Board.

He is member of a distinguished firm of petroleum engineers in East Texas and an authority on pipeline and other development problems.

* * *

More Acreage?

Indications at Home No. 2, now drilling in or very near the lime, are said most encouraging and it is unofficially reported that Home has just taken on a large block of new acreage north and west of this well, an area which Dr. Hume has termed continuation of Turner Valley.

In midsummer, Home's president, Victor Spencer, stated the company owned more than 10,000 acres in north Turner Valley and more than 75,000 acres in Brazeau and other Alberta structures. Should Home 2 be a producer it will prove up most of the 10,000-acre block mentioned above, and likely the additional acreage rumored to be taken up recently. Thus Home seems to have control of more potential oil acreage than any other company operating in Turner Valley with the exception of Royalite.

Quite a few of the statistically minded have been looking at Home Oil recently. Shares issued total 1,616,000. Liquid assets include 20,000 shares of Royalite, which at present market value are worth around $800,000. Other liquid assets include Dominion of Canada bonds par value $1,125,000. That means total liquid assets of almost $2 millions. On that basis alone, Home stock has a present liquid value of over $1.25 per share.

* * *

Four Near Completion

One company that might benefit should Home 2 be a producer is Highwood Sarcee Oils, which holds a large block of acreage on the Two Pine Structure, located at the north end of Turner Valley. The Highwood Sarcee Co. also controls over 30,000 acres on the Sarcee reserve, which is also considered by some to be an extension of Turner Valley.

There are now four wells drilling in the lime or nearing completion. They are Command No. 1, Royalite No. 34, West Turner No. 3, and Brown Consolidated No. 1, which until recently has been known as Producers Crude.

Work at Okalta 6 well has been held up due to the blizzard and because acidizers were engaged elsewhere.

Northern Canada Mines Reports on Operations

Northern Canada Mines has entered into an agreement with four other mining organizations for co-operation and systematic work in the mining exploration field. So far, this agreement is stated to have worked very satisfactorily, dividing risks, eliminating duplication of effort, and allowing the coverage of a maximum of ground at minimum expense.

Interests have been acquired in two syndicates, the Almo Syndicate directed by Alex. Mosher which has some claims in the Yellowknife district showing interesting values, and the Chas. Taylor Exploration Co.

Income from dividends and interest for the period from Dec. 30, 1937, to Sept. 30, 1938, amounted to $26,719. After deduction of expenses of $20,297, $6,421 was carried forward as earned surplus. Balance sheet as at Sept. 30, 1938, shows current assets of $655,125 including cash of $39,352 and shares in other companies of $585,594 (market value $831,948). Current liabilities were $15,131. There were one million shares issued.

New Lebel Oro Drilling Programme Is Under Way

From Our Own Correspondent

SUDBURY.—Diamond drilling has been commenced by Lebel Oro Mines at the new surface discovery on its Long Lake property, southwest of Sudbury. It is understood, initial schedule calls for 2,000 ft. of drilling, with first holes to be shallow, probably to 150 ft. It is not expected results will be given out until the company has gleaned a fairly comprehensive picture of the occurrence, which was understood to have "kicked" well on surface over good widths and length. The new disclosure is a little over half a mile from the shaft, in quartzite.

The company is stated to be currently showing a monthly operating profit of around $7,000, compared with operating profit of $35,514 for the year ended Sept. 30, 1938.

Karl Springer Exploration Co. shareholders have approved winding up of company. Distribution of assets will be on basis of 22 Springer Sturgeon share and small amount of cash for each share held.

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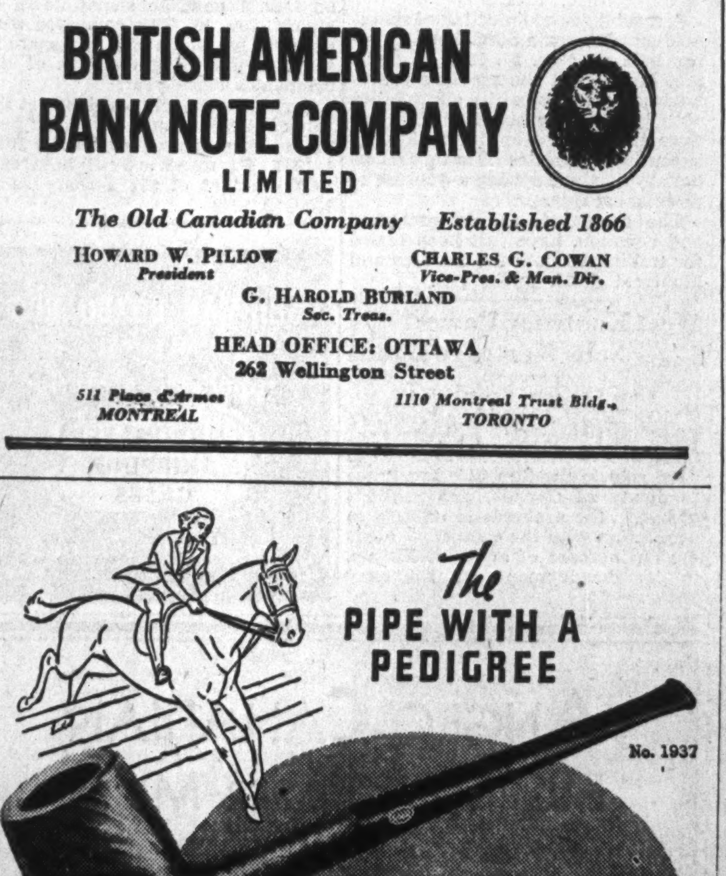

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DIVIDEND NOTICES

CONIAURUM MINES LIMITED

25 King Street West, Toronto
DIVIDEND NO. 6.

Notice is hereby given that a dividend of 5 cents per share has been declared by the Directors of Coniaurum Mines Limited, payable in Canadian funds on December 21st, 1938, to shareholders of record December 1st, 1938.

By Order of the Board,
H. WHITTINGHAM,
Secretary-Treasurer.
November 9th, 1938.

DIVIDEND NOTICES

ANGLO-CANADIAN TELEPHONE COMPANY

Class "A" Dividend Notice

NOTICE is hereby given that a dividend of One and One-half Per Cent (1½%) has been declared on the Class "A" stock of the Company, payable December 1, 1938, to stockholders of record at the close of business on November 15, 1938.

By Order of the Board.
GEOFFREY PURDY,
Secretary.
Montreal, November 15, 1938.

ROYALITE OIL COMPANY LIMITED

Notice of Dividend Number Twenty-one and of a Special Disbursement of Twenty-five Cents Per Share:

NOTICE is hereby given that a regular Dividend of Fifty Cents per share, and a Special Disbursement of Twenty-five Cents per share, have been declared payable to Shareholders of the Company, of record as such on the books of the Company at the close of business on Friday, the 18th day of November, 1938, and that the said Dividend and Special Disbursement will be payable on or after Thursday, the 1st day of December, 1938.

The Register of Transfers will be closed from the close of business on Friday, the 18th day of November, 1938, until the opening of business on Friday, the 25th day of November, 1938.

By Order of the Board.
T. E. BURNS,
Secretary.
Calgary, Alberta,
14th November, 1938.

CANADIAN MALARTIC GOLD MINES LIMITED

25 King Street West, Toronto
DIVIDEND NO. 4

NOTICE is hereby given that a dividend of 3 cents per share has been declared by the Directors of Canadian Malartic Gold Mines, Limited, payable in Canadian funds on December 20th, 1938, to shareholders of record December 5th, 1938.

By order of the Board.
H. WHITTINGHAM,
Secretary-Treasurer.
November 14th, 1938.

MacKinnon Steel Corporation Limited

Notice is hereby given that a dividend of one and three-quarters per cent (1¾%) has been declared on the 7% Cumulative Sinking Fund Redeemable Preferred stock of MacKinnon Steel Corporation, Limited, payable December 15th, 1938, to shareholders of record on November 30th, 1938.

This is a payment on account of arrears of preferred dividend.

By Order of the Board of Directors.
J. G. SCORER,
Secretary.
Montreal, November 15th, 1938.

Beattie Gold Mines Limited

25 King Street West, Toronto.
DIVIDEND NOTICE
Dividend No. 5

NOTICE is hereby given that a dividend of 5 cents per share has been declared by the Directors of Beattie Gold Mines Limited, payable in Canadian funds on December 20th, 1938, to shareholders of record at the close of business on December 5th, 1938.

By order of the Board.
H. WHITTINGHAM,
Secretary-Treasurer.
November 15th, 1938.

CANADA WIRE AND CABLE COMPANY LIMITED

PREFERRED DIVIDEND No. 39

Notice is hereby given that the regular quarterly dividend of $1.62½ per Share, for the period ending November 30th, 1938, will be paid December 15th, 1938, to Shareholders of record November 30th, 1938.

By Order of the Board.
W. H. MARSH,
Secretary.

THE CANADIAN BANK OF COMMERCE

The annual meeting of the shareholders of this Bank, for the election of Directors and for other business, will be held at its banking house, No. 25 King Street West, Toronto, on Tuesday, the 13th day of December next.

The chair will be taken at 2.30 o'clock p.m.

By order of the Board,
A. E. ARSCOTT,
General Manager.
Toronto, 14th October, 1938.

DIVIDEND NOTICES

IMPERIAL OIL LIMITED

DIVIDEND
NOTICE TO SHAREHOLDERS AND THE HOLDERS OF SHARE WARRANTS

NOTICE is hereby given that a semi-annual dividend of twenty-five cents (25c) per share and a special disbursement of thirty-seven and one-half cents (37½c) per share, both in Canadian currency, have been declared and that the same will be payable on or after the 1st day of December, 1938, in respect to the shares specified in any Bearer Share Warrants of the Company of the 1929 issue upon presentation and delivery of Coupons No. 50 to any Branch of:

THE ROYAL BANK OF CANADA,
in Canada.

The payment to Shareholders of record at the close of business on the 17th day of November, 1938, and whose shares are represented by Registered Certificates of the 1929 issue, will be made by cheque mailed from the offices of the Company on or before the 30th day of November, 1938.

The transfer books will be closed from the 18th day of November to the 30th day of November, 1938, inclusive, and no Bearer Share Warrants will be "split" during that period.

The Dominion of Canada imposes a tax of 5% deductible at the source on all non-residents of Canada in respect of dividends received by such non-residents from Canadian debtors. This tax will be deducted from all dividend cheques mailed to non-resident shareholders and the Company's Bankers, when paying the dividend on presentation of coupons belonging to non-resident shareholders, will deduct the tax on presentation of the coupons. Ownership certificates must be presented with all dividend coupons owned by residents of Canada and presented for payment.

A credit for the 5% Canadian tax so withheld is allowable to shareholders resident in the United States against the tax shown on their United States Federal Income Tax return. To enable such credit to be claimed, the United States Tax Authorities require the receipt or certificate of the Canadian Commissioner of Income Tax for such payment. To obtain such receipt the United States shareholder must submit, at the time of cashing his dividend coupon, an ownership certificate on Canadian form No. 601. Form No. 601, if not available at local United States Banks, can be secured on request from the Company's office or at any branch of The Royal Bank of Canada, in Canada.

BY ORDER OF THE BOARD.
F. E. Holbrook,
Secretary.
56 Church Street,
Toronto, Ontario.

Week in Mining

Shift To Wall Street Held Strange Advice

Prominent Market Observer Thinks Present "Funny Time" to Get Out of Canadian Mines and Seek Profit in U. S. Industrials

For still another week mining stock market interests had to sit back and watch the industrial market, in Canada and New York, hold the spotlight of public attention.

Gossip on the street had it that money usually in the mines is being transferred to Wall Street or the Canadian industrial markets. There is some truth in the rumor, of course, but its importance is probably exaggerated. After all, with the mines markets as glum as in recent weeks, hunting an excuse for their lethargy becomes a popular sport.

"As a matter of fact," observed one market analyst to this writer, "the people who are moving their money into the industrials seem to be taking a pretty funny time to do it. The people in Wall Street are practically unanimous in giving that market only another 10 points to go on the index before it begins backing up for a while. The mines market is in fine shape to move upward, especially among the juniors. There are some people making the switch now, but I don't think much of their advice."

* * *

Wait on Waite

President Murdoch of Noranda is to be back from his European trip at the beginning of the week and his arrival is expected to give some kind of a signal to Waite Amulet stock. For some weeks now, during his absence, no official news of drilling results has been released and the market hasn't known what to do about Waite. By this time a good batch of information should be available. Furthermore, some decision about the financing of the Waite mill should be ready about the same time.

Gossip in the quarters that might at least make a good guess is that the Waite mill will be financed by a bond issue taken up completely by Noranda. This is the method suggested as most likely by this column over a month ago. Bonds would be, especially in this case, a very neat method, though not entirely welcomed by the brokerage community because of their effect in smoothing out market action where a stock is acting almost entirely on development news.

* * *

Inquisition?

International Nickel wants its stock delisted from the New York stock exchange, according to word from London. It will be remembered that Noranda and Teck Hughes have taken similar action in the past.

Reason for the Nickel plan is interpreted in some quarters as a protest against the prying of N.Y. exchange investigators and publication of salaries received by some Nickel executives. Some suggest that Nickel does not want to be forced into divulging the private trading of Nickel executives in their own stock. Canadian officials have no knowledge of the delisting plan.

* * *

What Others Wish

If the demand for delisting is a protest against the inquisitorial attitude and tactics of the American S.E.C., it is a very significant index of the general opinion of U.S. businessmen. No company, it would appear, could have less to hide than Nickel. But Nickel, as a world-wide organization, doesn't need to subject itself to the Rooseveltian business police. It pulls out. How many American businesses there must be which only wish they could do the same!

Nickel's retreat from Wall Street has its unfortunate angles so far as Canada is concerned. It has always been hoped that for the good of Canadian mining and its development more Canadian mining stocks would go up on the big American board.

* * *

"There's nothing to it whatever." That was the answer of Ontario's Securities Commissioner Whitehead, when asked about the report that he had plans for the regulation of unlisted trading.

* * *

Maybe Never

The Quebec Department of Mines seems to have moved pretty fast in halting the colonization of farms on the front doorstep of Jack Hammell's Siscoe Extension. A few weeks ago, Mr. Hammell expressed his opinion in a few well-chosen words of a government which had tens of thousands of acres to settle and which picked acres right in the middle of mining operations as a starting point.

Hammell closed down the property right off the bat. "Now that colonizing around there has stopped, are you going to start up again?" we asked Mr. Hammell. "No, I'll keep her shut," he said. "Does that mean a month, six months?" we pursued. "No idea. Maybe never."

* * *

Mr. Cameron Regrets

Quebec mineral production will reach a new record this year. According to the chairman of the Quebec Chamber of Mines, A. Kirk Cameron, 10 years from now Quebec's mineral production will be doubled.

Mr. Cameron regrets that only about 10% of the capital invested in Quebec mining is Quebec money. The rest of it comes from Ontario and the United States.

* * *

No Boast

Once again the importance of mining to the business fabric of the nation is amply demonstrated. The Dominion Bureau of Statistics has just got through its study of Canada's business for the first nine months of this year and reveals this.

Mining is the only primary industry in the country to show a gain so far for this year. Manufacturing was down 14%. Newsprint down 30%. Automobiles were down 20%. Electric power output was down 7%. Carloadings were down more than 8%.

Nearly every aspect of mining, however, had a better story to tell. Gold shipments were 13% higher, silver 9% higher. Lead production was up 4% and zinc output down a similar amount. Nickel exports were down nearly 14% from the 1937 high. But copper exports increased 33% over the same period of last year.

* * *

First Mercury

First mercury to be produced in Canada for 20 years, an 85-pound cylinder has just been sent to Montreal office of Nesbitt Thomson from Empire Mercury Mines Ltd. in British Columbia.

A small production of mercury was made near Kamloops, B.C., between 1895 and 1897. A much smaller amount was secured from Cobalt silver ores between 1910 and 1918.

In 1936, Empire Mercury was formed, and last year substantial funds were advanced by Nesbitt Thomson. The property is reported to be opening up very nicely and the search for mercury-bearing ores or cinnibar is said to be broadening out.

Most mercury heretofore has been produced in Italy and Spain, the latter source very severely restricted during the civil war.

DIVIDEND NOTICES

Hollinger Consolidated Gold Mines Limited

Dividend Number 312
Extra Dividend Number 49

A regular dividend of 1%, and an extra dividend of 1%, making 2% in all, have been declared by the Directors on the Capital Stock of the Company, payable on the 2nd day of December, 1938, to shareholders of record at the close of business on the 18th day of November, 1938.

DATED the 11th day of November, 1938.
I. McIVOR
Assistant-Treasurer.

Buff. Ankerite Earnings Off

Net Equals 28c For 3rd Quarter—32c in 2nd Quarter

Net profit equal to 28 cents per share is reported by Buffalo Ankerite Gold Mines for quarter ended Sept. 30, 1938, comparing with 32 cents the second quarter, and 36 cents the first quarter of this year. Earnings for the full year 1937 were $1.30 per share.

Lowered profit in the September quarter resulted, in part, from increased cost of shaft sinking, and higher mining costs caused by narrower stoping widths on the levels above 1,050-ft.

Bullion production for the first nine months of 1938 amounted to $2,263,684 from 272,012 tons of ore milled for an average recovery of $8.32 per ton. In the last three months of this period, output was $760,531 from 91,450 tons treated, an average of $8.32 per ton.

Shaft Work Progresses

Shaft has reached a depth of 1,421 ft. and sinking is progressing 8 ft. per day. Concreting of the shaft was necessary for a distance of 287 ft. due to soft wall rock but good rock was encountered at a depth of about 1,230 ft. allowing faster shaft sinking. Improvements have been made in the shaft above the 1,050-ft. level. Preparations have been undertaken for sinking a winze from the 1,050-ft. level to develop Nos. 3, 5 and 6 veins of the South mine. The 805 west drift was advanced west during the third quarter to prospect ore indicated by diamond drilling.

Ore reserves at Sept. 30, were practically the same as at June 30.

Balance sheet as at Sept. 30, 1938, shows total current assets of $806,485, including cash of $110,289, bullion amounting to $163,082 and investments of $429,156 (market value $428,022). Current liabilities of $255,975, included a reserve of $102,210 for Dominion and provincial taxes.

Earnings Statement
Nine Months Ended Sept. 30, 1938

	$
Bullion recovery	2,263,684
Less: Adjust. of val. in soln.	3,045
Net production	2,260,639
Less expenses:	
Mining	705,922
Milling	223,351
General	143,478
Devel. & explor.	125,392
Operating profit	1,062,496
Add: Other income	11,718
Gross profit	1,074,214
Less: Depreciation	157,514
Income taxes	101,837
Shaft sinking w/o	141,311
Net profit	673,552
Less: Dividends	526,259
Surplus for period	147,293
Add: Previous surplus	797,039
Prof. from sale of stock	898
Work. comp. cr. re. prev. yrs.	11,883
Duty rebate, prev. yrs.	1,441
Balance forward	958,554
Earns. per Share and Divd. Record:	
Earned	$0.96
Paid	0.75

Clouds Seen Overhanging Oil Meeting

Lower U.S. Crude Prices and Illinois Field Raise Obstacles

Plans for the meeting between railway officials and Alberta oil interests at Toronto late this month are understood to be fairly complete. High hopes for success of the meeting in arriving at a freight rate which will allow shipment of oil to eastern Canada are apparently widespread.

Alberta oil interests requested the meeting some time ago and vice-presidents of each railway have agreed.

The Conservation Board is understood to have assured oil operators that oil reserves have now reached the stage where Alberta can give an undertaking to ship 6,000 barrels of oil to the East every day, as well as supply the prairie market.

The Petroleum Association has proposed that Imperial Oil Co. take 3,000 barrels of Turner Valley crude at its Sarnia plant and that British American take the other 3,000 barrels daily at its Toronto plant.

C. P. R. Hint Hopeful

Previous efforts of Alberta oil producers to get a favorable freight rate have failed. C. P. R.'s president, Sir Edward Beatty, has, however, strongly indicated that he did not want his railroad to repeat what he termed the mistake of the U.S. railroads which refused to give American crude oil producers economic freight rates with the result that more than 200,000 miles of oil pipeline have been built in that country. According to the president, this loss in traffic is in no small measure to blame for the present wretched state of American railway finances.

Eastern oil interests state that they have no comment at the present.

Factors less hopeful for the transport of Alberta oil to Ontario at the present time include widespread reductions in the cost of crude oil in various United States fields, and the growth of the Illinois oil field.

At the time of the tariff board hearing last year, it was stated that the cost of mid-continent crude oil laid down at Sarnia would be about $1.97 per barrel. The cost of Turner Valley crude of approximately the same grade would be a fraction over $2.

Since that time, however, the first cost of mid-continent crude has been reduced some 30 cents per barrel. No cut has yet been made in Turner Valley crude price.

Whether a cut will be made, oil company officials do not state. Outside observers differ. Some are confident that a reduction will come shortly for Alberta crude. Others maintain that no cut will come at the present time when distributing companies are under fire for high distributing costs in Alberta and when the British Columbia Government is attempting to peg at a lower level the gasoline price.

Mining Options

Graymar Yellowknife Gold Mines—On Oct. 31, one million shares were optioned to Mill Producers Ltd., comprising 200,000 shares at 6c. payable 50,000 shares every two months, 100,000 shares at 8c., 100,000 shares at 9c. and balance at 10 to 20c. per share payable 50,000 shares monthly. Company incorporated February, 1937; authorized capital 3 million shares with 1,005,005 issued.

Kenbrae Gold Mines—On Nov. 2, one million shares were optioned to J. M. Watson and R. F. Walker, comprising blocks of 100,000 shares each at 3, 4, 5, 6, 7, 8, 9 and 10c. per share with balance at 15 to 20c. per share payable $1,000 monthly until March, 1939, and $5,000 monthly thereafter. Company incorporated April, 1937; authorized capital is 3 million shares with 1,182,395 issued.

Lar-Add Mines—On Oct. 26, one million shares were optioned to P. A. McGregor as follows: 300,000 shares at 5c.; 300,000 shares at 7c.; and 400,000 shares at 10c. per share. Payments are to be made $1,000 forthwith and $1,000 monthly until May, 1939; $3,000 per month until August, 1939, and thereafter $5,000 per month. Company incorporated February, 1937; authorized capital is 3 million shares with 1,022,968 issued.

Monetary Metals Mining Co.—On Oct. 27, Percy McLaughlin purchased 25,000 shares at 3c. and received an option on 999,995 shares, comprising 75,000 shares at 3c. payable within 60 days, 200,000 shares at 5c. payable within 120 days, 300,000 shares at 6c. payable within 6 months, and balance at 8 to 30c. per share payable within 16 months. Company incorporated Oct., 1938; authorized capital 2 million shares with 775,005 issued.

Planet Gold Mines—On Nov. 7, 200,000 shares were optioned to Cateros Ltd., comprising blocks of 50,000 shares at 4, 4½, 5½ and 6c. payable within 28 days. Company incorporated January, 1937; authorized capital 3 million shares with 1,613,658 issued.

Strathmore Gold Mines—Company states Frank Law has purchased 60,000 shares at 5c. under agreement of Aug. 22, and that time for payment of balance of 940,000 shares at 5 to 80c. has been extended two months, and will be completed by Jan., 1941.

Mining Dividends

	Rate	Nov. 14	%
Anglo-Huronian	10c	3.35	3
Beattie Gold	15c	1.36	11
Bralorne	60c+40c	9.60	*10.4
Buffalo Ankerite	$1	14.50	6.9
Bulolo Gold	$3	24.50	12.2
Can. Malartic	9c	.90	10
Cariboo Gold	10c+6c	2.40	*6.6
Central Patricia	16c+2c	2.45	*7.3
Coniagas	25c	1.50	..
Coniaurum	15c	1.52	..
Cons. Smelters	50c+50c	65.25	1.5
Dome Mines	$2	31.00	6.4
Falconbridge	30c	5.75	5.2
Gunnar Gold	6c	.66	9.1
Hedley Mascot	12c+4c	1.40	*11.4
Hollinger	65c+45c	14.50	*7.6
Howey Gold	4c	.25½	..
Hudson Bay	$1.50	34.50	4.3
Inter. Mining	35c	8.75	..
Int. Nickel, com.	$2	56.00	3.5
Island Mountain	10c	1.20	8.3
Jack Waite	†1½c	.36	..
Kerr Lake	5c	.50	10
Kirkland Lake	8c+2c	1.21	*8.2
Kootenay Belle	16c+2c	1.48	*12.1
Laguna	†5c	.12	..
Lake Shore	$4	50.50	7.9
Lava Cap M.	8c	.85	..
Leitch	†2c	.69	..
Little Long Lac	20c	2.81	..
Macassa	20+5c	5.40	*4.6
McGillvray Creek	1½c	.23	..
McKenzie Red Lake	12c	1.33	9
Moneta	†3c	1.32	2.3
McIntyre Porc.	$2	51.25	3.9
Noranda	‡$2	62.25	..
Nipissing	15c	1.71	..
North Empire	50c	8.40	5.9
Oro Plata	†4c	.50	8
Pamour Porc.	‡12c	4.35	3.6
Paymaster	1c	.56	..
Pioneer, B.C.	40c	2.60	15.4
Pickle Crow	40c	5.25	7.6
Placer Develop.	$1.20	15.50	7.7
Premier	12c	2.20	5.4
Reno	10½c	.22½	..
Sheep Creek	12c+4c	.90	*17.7
Silbak Prem.	8c	1.85	4.3
Siscoe	20c+1c	1.51	*13.9
Sudbury Basin	10c	2.85	3.5
Sullivan Cons.	5c	.98	5.1
Sylvanite Gold	20c+5c	3.40	7.3
Teck-Hughes	40c+5c	4.70	*9.6
Toburn	8c+6c	2.00	*7
Ventures	37½c	5.55	6.7
Wright-Harg.	40c+20c	7.80	*9

*Yield includes bonus. ‡Interim.
†Initial.

ELECTED PRESIDENT

Dr. Henry Laureys, Ph.D., of Montreal, who has been elected president of Sunray Petroleum Corp., which is developing a property in the Turner Valley field leased from the C. & E. Corp.

Madsen Red Lake Gets Ore at Depth

Stoping Being Done on 500-ft. Level — Ore Below

Although Madsen Red Lake Gold Mines previously thought ore bodies had been bottomed somewhere between the 350 and 500-ft. level, officials are now able to state that stoping in ore is taking place at the 500-ft. level with the downward extension of ore indicated by drilling at approximately 600-ft. depth. Grade of this ore is such that officials do not expect average grade of ore now being sent to the mill will be affected.

Development of ore below the 350-ft. level adds considerably to ore resources, as no estimate was made for possible ore in the ore reserves' estimate released for the end of 1937.

Mill is now treating 360 tons of ore daily following installation of additional crusher capacity. This compares with an average of 298 tons from Aug. 11 to Sept. 30. Recovery is 94 per cent; absorption in the mill circuit believed completed. Mill heads averaged slightly over $8 per ton from the commencement of milling to Sept. 30, and October average was $8.10 per ton.

Operating profits for September were $1,000 daily with current operating profit probably in the neighborhood of $1,200 to $1,400.

DIVIDEND NOTICES

THE BANK OF TORONTO

Dividend No. 229

Notice is hereby given that a Dividend of Two and One-half percent upon the Paid-up Capital Stock of this Bank has been declared for the current quarter, and the same will be payable at the Bank and its branches on and after the first day of December next to shareholders of record on November fifteenth, 1938.

By Order of the Board.
F. H. MARSH,
General Manager.

Malartic G. Fields Drilling New Ore

One Hole Returns Value of $7.35 Across 31.2 ft.

Two important ore sections have been intersected, by Malartic Gold Fields, in diorite formation, near the contact of the greenstone, returning values of $7.35 per ton across 31.2 ft. and $4.20 per ton across a width of 16.1 ft., according to a report of J. P. Norrie, general manager, covering operations for the month of October.

During the month, three additional intermediate holes were drilled east and west of high grade holes 80 and 90 in the No. 7 ore zone, with these holes returning values of $5.15 across 13 ft., in one hole, $6.34 across 31.5 ft. and $5.25 across 15 ft., in a second hole, and $3.54 per ton across 34.4 ft. in the third. The average of the No. 7 zone now stands at 2,020 ft. averaging $8.50 per ton across a width of 20 ft. All intermediate holes drilled on the zone have tended to confirm its value.

Preston East Dome Is Preparing for Stoping

Preparation of stopes for mining was carried on by Preston East Dome Mines during October. Work was done on the 217 and 225 stopes at the second level and on the 318 and 223 stopes at the third level.

No development was in ore during the month, operations being confined to stope preparation, crosscutting and preparatory work on the fourth and fifth levels. The main drive west on the 400-ft. level was advanced 154 ft. on line and on the last day of the month was within one round of the footwall. No drifting was done. On the fifth level, the main drive west was advanced 162 ft. on line slightly north of west. At the end of the month this had about 260 ft. to go to the footwall. Main drives have been dropped to one shift per day with the emphasis now on stope preparation.

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NEW HIGH GRADE AREA

An entirely new body of ore has been struck at Martin Bird, President S. J. Bird informs The Financial Post.

"We hit an entirely new zone, southeast of the shaft which will add very greatly to our tonnage," he said. Width in preliminary exploration is about 40 feet, the ore appearing in massive sulphides. Some grab samples ran over $100.

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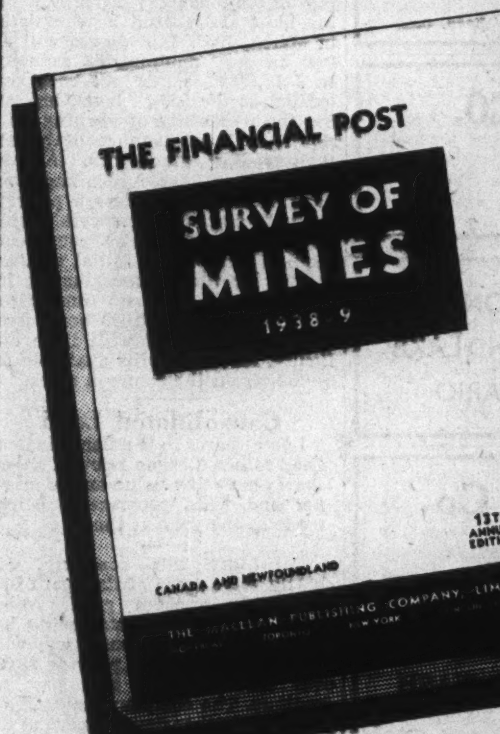

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Concentrates—Canada's Mines this Week

Algold Mines proposes to sell its property to a new 3.5 million-shares company for 1,217,920 shares at a special meeting on Nov. 19. United States interests have agreed to underwrite a block of shares in the new company, to provide $140,000 with options calling for an additional $390,000 if fully exercised. Finances, it is stated, will permit additional exploration and installation of an up-to-date mill.

* * *

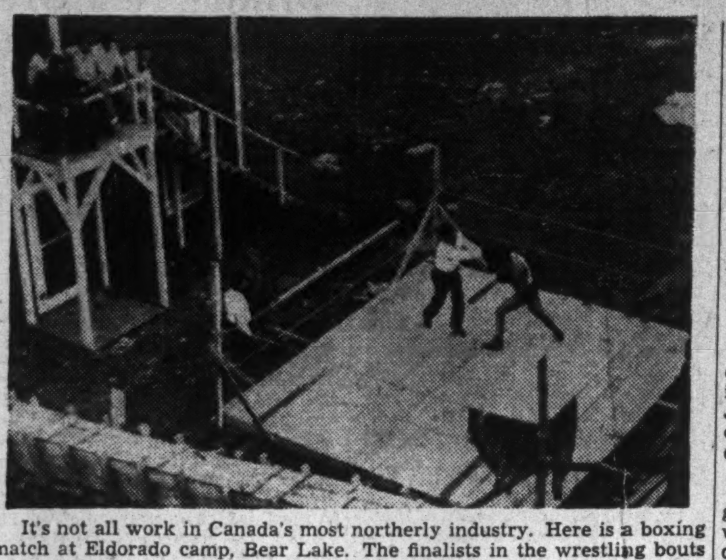
Amm Gold Mines is completing concrete foundations for its mill; production is scheduled to commence Feb. 1.

* * *

Athona Mines is arranging details of an agreement for having its ore treated at mill on adjoining Box property of Consolidated Mining and Smelting Co., and officials expect agreement will be signed by end of month. In meantime, development is being resumed and lateral exploration is to be carried out at 400-foot depth.

* * *

Bayonne Consolidated has discontinued drifting and operations are expected to be closed down by end of November. Directors are considering proposals with regard to acquisition of new property. October output was $29,500 compared with $26,200 in September.



It's not all work in Canada's most northerly industry. Here is a boxing match at Eldorado camp, Bear Lake. The finalists in the wrestling bouts decided the referee knew less about the rules than they did, so they pitched him out of the ring and finished it alone.

* * *

Concordia Porcupine is preparing to resume development at its property in Deloro twp., Porcupine area, Ont., having arranged financing.

* * *

Capps Gold Mines is treating 105 to 115 tons of ore daily with operating costs reduced to $4.27 per ton. Ore from three other properties is being treated on a customs basis.

* * *

Coniaurum has declared an interim dividend of five cents per share payable Dec. 21, 1938, to shareholders of record Dec. 1. This is third dividend of five cents paid this year.

* * *

Elbow Lake Golden Zone Mining Syndicate had its license as a security issuer suspended on Nov. 8, by the Municipal and Public Utility Board of Manitoba.

* * *

Errowana has started work preliminary to shaft sinking at property at Rowan Lake, Ont. Smelter Gold Mines received 550,000 of one million Errowana vendor shares issued.

* * *

Fondulac Mining Corp. shareholders have approved winding up and distribution of assets. Cash on hand of $118,558 is expected to be equivalent to about four cents per share after payment of expenses.

* * *

Greenlaw Gold Mines is distributing its assets on the basis of one Greenlee share for each three Greenlaw shares held.

* * *

Greenlee Mines has dropped its optioned property in the Sturgeon River area of Ontario, but new properties have been acquired in Thompson-Lundmark section of Yellowknife area. Development at latter is not expected until next spring due to difficulties of work in winter.

* * *

Golden Gate is stated to have opened up length of 200 ft. of ore at 225-ft. level averaging about $15 per ton.

* * *

Hollinger Consolidated has declared an extra dividend of five cents payable Dec. 2, 1938, to shareholders of record Nov. 18, along with regular dividend of five cents.

* * *

Lee Gold Mines is distributing its holdings in Greenlee Gold Mines on basis of one Greenlee share for each five Lee shares held. Lee is taking steps to surrender its charter.

* * *

Little Long Lac Gold Mines is in position to hoist 500 tons of material daily following completion of new headframe. Shaft has been deepened from 1,300 to 1,650 ft. with new levels established at 1,450 and 1,600 ft.

* * *

Manco Gold Mines has called meeting of shareholders for Nov. 22, to approve sale of property to new three million-share company in which Manco would receive 750,002 pooled shares or one new share for each three old shares at present outstanding.

* * *

MacLeod-Cockshutt produced $347,522 from 45,760 tons of ore, in the three months ended Sept. 30, 1938, an average recovery of $7.59 per ton. Operating costs, including head office expense, was $3.85 per ton with costs reduced to $3.58 in the last month. Recovery is expected to be higher in the current quarter due to treatment of less development ore.

* * *

Northern Empire October output was reported at more than $80,000 with average recovery of $15.70. This was new record for monthly output. New 1,700-ft. level is stated to be showing values greater than on upper levels in same sections; 1,000 ft. of drifting has been completed.

* * *

Negus Gold Mines is expected to commence production at initial milling capacity of 50 tons daily early in Jan., 1939. Mill design will allow easy doubling of capacity to 100 tons daily.

* * *

Noble Five Mines is developing a gold property near Nelson, B.C., while its base metal property is closed down because of low metal prices. A winze is being sunk at the gold property with the last two rounds taken out at about 35-ft. depth stated to show ore averaging 50 oz. gold per ton across 4 inches. The extent of the deposit is still to be determined, however.

* * *

Pioneer Gold Mines is reported to have taken an option on the Van Guard property in the Alice Arm section of British Columbia.

* * *

Pickle Crow Gold Mines has completed 35 ft. of drifting at 1,800-ft. level with values averaging $28 per ton across 43 inches. On 1,650-ft. level, 131 ft. of drifting has returned average value of $29.40 per ton across 34 inches. On 1,500-ft. level, 380 ft. average $19.25 per ton across 33 inches and at 1,350-ft. level, 444 ft. of drifting averages $22.40 across 34 inches.

* * *

Royalite Oil Co. is paying a bonus of 25 cents along with the regular quarterly dividend of 50 cents per share to be paid on Dec. 1, to shareholders of record Nov. 18.

* * *

Reno Gold Mines produced approximately $55,000 in October compared with $52,075 in September.

* * *

Read-Authier Mine will commence distribution of its assets on Dec. 12.

* * *

Spud Valley was scheduled to commence production on Nov. 15 at its property in the Zeballos area. A 1,200-ft. tramway is to be used for delivering ore to the mill.

* * *

Sullivan Consolidated is handling 250 tons of ore daily following completion of its mill addition. Liquid position is stated to be around $375,000.

* * *

Silbak-Premier Mines net smelter returns for October amounted to $143,967 from 14,188 tons of ore, an average of $10.14 per ton. In September, returns were $121,144 from 14,176 tons of ore, an average of $8.56 per ton.

* * *

Smelter Gold Mines has purchased a group of 12 claims outright in Yellowknife district, Northwest Territories. Property adjoins that of Thompson-Lundmark and company plans to proceed with exploration.

* * *

Wright-Hargreaves will pay bonus of five cents together with regular quarterly dividend of five cents payable Jan. 3, 1939, to shareholders of record Nov. 23, 1938. A special interim dividend of 10 cents per share is also payable Jan. 16, 1938, to shareholders of record Dec. 1, 1938.

Placer Group Work Detailed

Dredge Operations Covered at Meeting—Widen Interests

From Our Own Correspondent

MONTREAL.—Bulolo Gold Dredging handled 4,803,000 cu. yds. of gravel for the four months of the current fiscal year ended October 1, for recovery of $1,852,000, according to a statement made by Charles A. Banks, managing director, at the annual meeting.

Dredges Nos. 7 and 8 on the Bulolo properties should be completed within the time indicated in the directors' report, so that eight dredges are expected to be in operation by the end of next July, says Mr. Banks.

Pato Reports Recovery

During the first six months of the fiscal year, to November 1, Pato Consolidated handled 6,825,000 yards for recovery of $894,000, which was in keeping with testing.

Pato's new dredges are working at capacity and value should gradually increase throughout the next 12 months in keeping with the drilling, Mr. Banks stated. Results to date indicate that expectations both as to recoveries and working costs will be realized. The intention of the directors is that loans of $630,000 will be retired over a period so that dividends can be commenced as early as possible and while making no promises, the directors believe that Pato Consolidated will be in a position to declare an initial dividend about the middle of 1939.

During the current fiscal year, Asnazu Gold Dredging values dropped to 22 cents per yard, due to necessary handling of a low grade area, Mr. Banks stated, but should improve from now on in line with the testing.

Placer Development has acquired a $25,000 interest in an American company, testing some likely placer ground in the United States, the purchase carrying the right to an increased participation if results warrant it.

Placer is subscribing for an additional 10,000 shares of £1 each of Gold Dumps Proprietary Ltd., to enable that company to take some recently acquired attractive business.

Mining Enquiries

Preston East Dome

What is the present position of Preston East Dome Mines? When are they likely to commence production?

Preston East Dome Mines owns a gold property of 240 acres in Tisdale Township, Porcupine area, Ont., adjoining Dome Mines. A cyanide mill of 300 tons daily capacity is being built and should be completed in March, 1939. Mill design will allow an easy doubling of capacity. In July, 1938, a new ore body was located at the 550-ft. level, indicating the possibility of opening up a relatively large tonnage of better-than-average grade ore. As the company had developed a large tonnage of medium-grade ore prior to the new discovery, reserves should be equal to about six or seven years requirements at the initial mill capacity. Profitable operation is indicated and with no unforeseen happenings the $700,000 bond issue should be paid off with little difficulty, leaving profits available for dividends on the common stock.

Consolidated Lead

I own shares in the Consolidated Lead Mines. Let me know if these shares have any value on the market and what progress is being made at the present time.

Probability this company will shortly solve some of its legal problems now appears good. About $5,000 of debt was outstanding but negotiations are now under way with a financing house to provide $6,000 over three months and pay off creditors. The company states it has plans for further development at the property. There is no market for stock at present.

Mat-A-Lac

Any information you can give me on Mat-A-Lac Gold Mines will be appreciated. I think the company has properties in the Long Lac and Sudbury areas.

Mat-A-Lac Gold Mines (1936) Ltd. owns 9 claims in the Long Lac area of Ontario; 3 claims in the Sudbury district of Ontario; and 13 claims in the Montreal River district of Ontario. Surface work and diamond drilling have been done and the Long Lac claims have been surveyed. At the present time the company is inactive. Authorized capital is three million shares, of which 1,301,805 shares are outstanding, leaving a balance of approximately 1,700,000 shares for further financing when this can be arranged.

Siscoe Gold Mines

I have been alarmed by the decline in price of shares in Siscoe Gold Mines of which I hold a considerable number. Are earnings enough to cover dividend requirements and what are the chances they will be maintained?

Siscoe Gold Mines earned 17.2 cents per share in the 9 months ended Sept. 30, 1938, compared with 20.9 cents in the similar period of 1937. Lowered earnings in 1938 were chiefly caused by a decline in income to $1,880,340 in the first nine months of 1938, as compared with $2,030,498 in the first nine months of 1937. An increase in operating costs of approximately $50,000 in 1938 caused by shaft sinking and station cutting, was also a contributing factor. Ore reserves at the end of 1937 were 526,148 tons, equal to about 2½ years milling requirements. Officials state that with favorable ore developments on new levels under exploration, earnings might readily be restored to their old level. At the present time, it is believed, earnings are still above dividend requirements of 20 cents per share per annum.

Callinan Expects Resumed Drilling

Engineer is Sent in to Property Adjoining Hudson Bay

An engineer has been sent in to the property of Callinan Flin Flon Mines to carry out a survey of the property, and to correlate geological data with results obtained in a previous diamond drilling programme. Following completion of this survey, officials expect a new programme of diamond drilling will be undertaken, probably to test the porphyry mass extending from the adjoining property of Hudson Bay Mining and Smelting Co. It is in this porphyry zone that the Hudson Bay ore bodies occur.

Financing arrangements have not yet been completed, but negotiations being carried on with New York interests are expected to be successfully concluded, officials state.

Mine Production Reports

LEITCH GOLD MINES

1938:	Tons milled	Tons daily	Recov. per ton	Total recov.
October	2,798	90	$21.05	$60,216
September ..	2,611	87	24.03	62,749

GUNNAR GOLD MINES

1938:	Tons milled	Tons daily	Recov. per ton	Total recov.
October	4,562	141	$11.96	$53,144
September ..	4,401	147	11.37	48,801

POWELL ROUYN GOLD MINES

1938:	Tons shipped	Tons daily	Value per ton	Gross value
October	18,310	591	$5.10	$93,381
September .	16,644	555	5.75	95,708

KOOTENAY BELLE GOLD MINES

1938:	Tons milled	Tons daily	Recov. per ton	Total recov.
October	4,090	132	$15.16	$62,000
September ..	3,850	128	16.52	63,600

GOLDEN GATE

1938:	Tons milled	Tons daily	Recov. per ton	Total recov.
October	1,733	56	$14.71	$25,496
September ..	1,529	51	17.27	26,410

RELIEF ARLINGTON MINES

1938:	Tons milled	Tons daily	Recov. per ton	Total recov.
October	2,512	81	$13.10	$34,930
September ..	2,372	79	15.25	36,120

RAVEN RIVER

1938:	Tons milled	Tons daily	Recov. per ton	Total recov.
October	2,036	66	$6.38	$13,001
September ..	2,000	67	8.08	16,167

LEBEL ORO MINES

1938:	Tons milled	Tons daily	Recov. per ton	Total recov.
October	3,400	110	$6.47	$21,000
September ..	3,404	113	6.11	20,800

GURNEY GOLD MINES

1938:	Tons milled	Tons daily	Recov. per ton	Total recov.
October ...	4,285	138	$11.35	$48,612
September ..	4,120	137	11.14	45,889

PERRON GOLD MINES

1938—	Tons Milled	Tons Daily	Recov. Per Ton $	Total Recov. $
Sept.	10,339	344	10.30	106,539
Oct.	10,851	350	9.81	106,486

Chartered Accountants

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Chartered Accountants
WINNIPEG
SASKATOON

ARTHUR S. FITZGERALD
AND COMPANY
Chartered Accountants
WINDSOR ONTARIO

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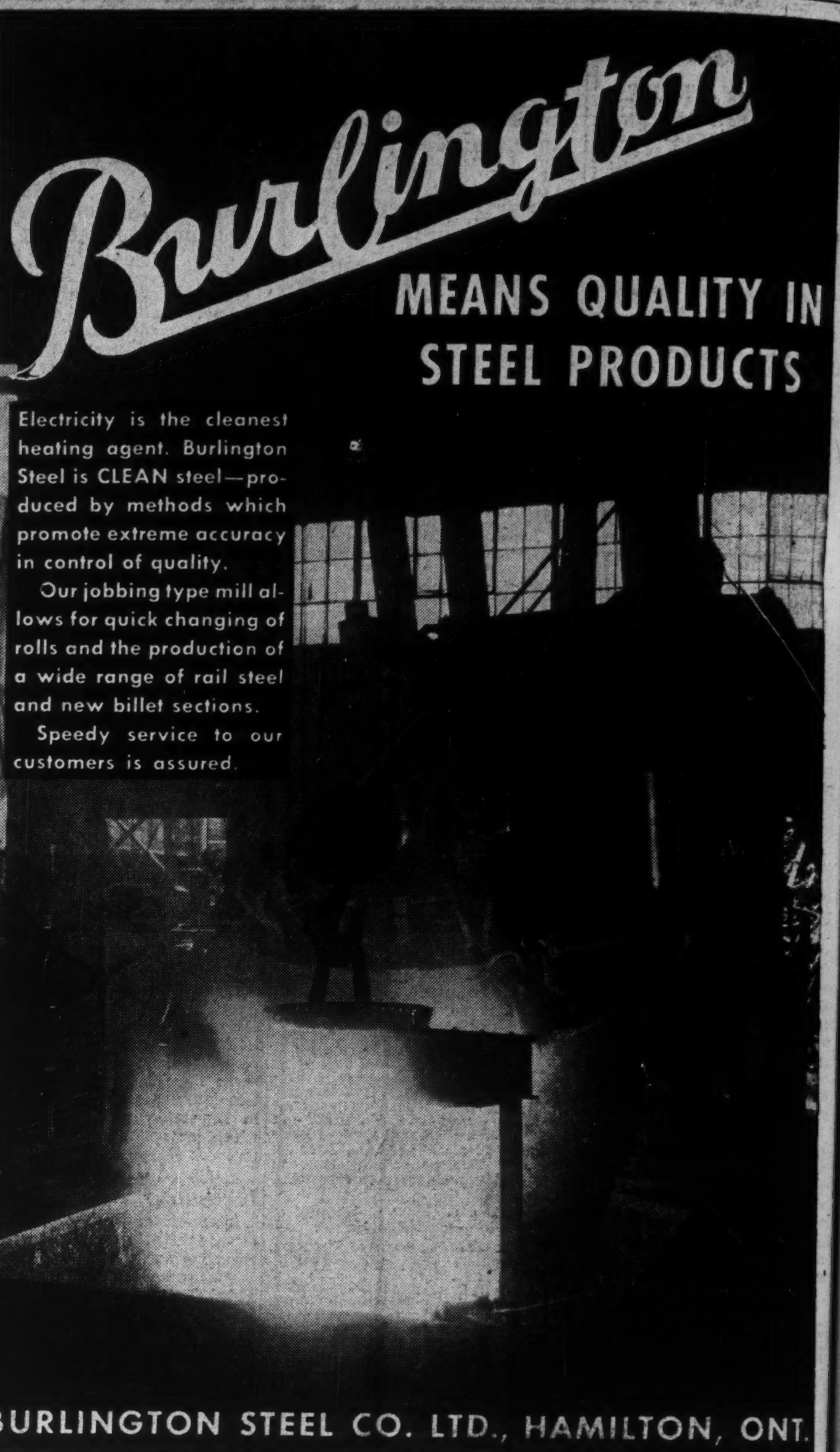

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